

The NATIONAL UNDERWRITER



**AMERICAN AUTOMOBILE
INSURANCE COMPANY**

BROADEST FORM COMPREHENSIVE CONTRACTS
AUTOMOBILE AND GENERAL CASUALTY

Owners', Landlords', and Tenants'
Workmen's Compensation
Comprehensive Liability
Personal Liability
Automobile
Elevator
Burglary

Owners' and Contractors' Protective
Manufacturers' and Contractors'
Employers' Liability
Garage Liability
Contractual
Products
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NATIONWIDE BRANCH OFFICE FACILITIES

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PHILADELPHIA • PITTSBURGH • PORTLAND • ST. LOUIS • SAN FRANCISCO • SEATTLE

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AUTOMOBILE AND AVIATION NUMBER

FRIDAY, APRIL 21, 1944

Boost Your Premium Volume With American States' New **SUPER-EXCEL POLICY**

Which combines **COMPLETE AUTOMOBILE COVERAGE** with Residence, Personal, Family and Farm Liability, Property Damage and Medical Expense Coverages—ALL in ONE convenient form. In addition to ALL coverages of the Standard Policy, The "Super-Excel" includes:

COMPREHENSIVE AUTOMOBILE COVERAGE

1. Husband and wife automatically covered for Bodily Injury and Property Damage on all their private passenger cars—WITHOUT DESCRIPTION.
2. Husband and wife protected while driving any private passenger automobile not owned by them.
3. Husband and wife protected for personal use of hired or borrowed truck.
4. \$500 Death Benefit to assured's family if he is killed while driving his car.
5. \$100 for loss, damage or theft of robes and wearing apparel by forcible entry.
6. Damage to rented property (garage doors, etc.).
7. \$50 additional legal expense resulting from arrest as a result of an accident.
8. Premium for \$500 Bail Bond.
9. House trailers and other utility trailers.
10. Protection anywhere in North America, including Mexico.

FAMILY LIABILITY COVERAGE

Protects husband, wife and minor children for:

1. Residence Liability.
2. Sports and Personal Liability.
3. Acts of minor children.
4. Employer's Liability for domestic servants.
5. Dogs on or away from the residence.
6. Saddle horses either owned or rented on or away from the residence.
7. Bicycles.
8. Canoes or rowboats (including outboard motors) and sail-boats up to 21 feet.
9. Assault and battery.
10. Rented residences where the assured is temporarily residing, such as a rented summer cottage.
11. Medical Expense coverage for domestic employees.
12. Medical Expense Coverage for guests.
13. Automatic coverage of changing or additional Personal Liability hazards without notice to the Company.

FARM LIABILITY COVERAGE

All of the hazards listed under Family Liability plus these special features:

1. Farm Residence Liability: Accidents on assured's farm and adjoining highways.
2. Straying Animals: Accidents caused by livestock—horses, cows and all other farm animals either on or while straying from assured's property.
3. Farm Tractors and Farm Machinery: Accidents caused by tractors or other farm machinery on or away from assured's farm (except while used for commercial purposes).
4. Farm and Saddle Horses: Accidents caused by farm and saddle horses or teams either on or away from assured's farm.
5. Medical Expense coverage for domestic employees.
6. Medical Expense coverage for guests.

And ALL of the Liability and Property Damage features cover the insured on the basis of Occurrence rather than Accident.



Agents in Indiana, Ohio, Michigan and Illinois—write, WIRE or PHONE, COLLECT, today for full information on the "Super-Excel" Policy. No obligation of course.

Agents in California — Wire or Phone Our Pacific Coast Dept., 639 S. Spring St., Los Angeles.



AMERICAN STATES INSURANCE CO.

542 N. MERIDIAN ST.



INDIANAPOLIS 6, INDIANA

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April

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New Y Auto Premiums Drop But 10.7% in Second War Year; Outlook Good

Automobile insurance premiums of all kinds written by all types of companies last year totaled \$619,585,366, which was a decline of but \$74,642,285 or 10.7% from the 1942 total. The 1943 writings were 25.6% less than the all time peak year of 1941. Last year's premiums were less than in 1940 or 1939 but they exceed by a good margin the 1938 record of \$596,171,890.

The 1943 results are far from discouraging. The loss in volume is attributable entirely to the effect of rate reductions and in the comprehensive field to the odd circumstances that as used car values went up the premium went down under the actual cash value plan and insofar as collision is concerned to the fact that the cars dropped into older age groups and lower premium bracket.

The effect of the rate reductions has now been overcome and currently in the third party lines at least many agents are finding that an upturn has taken place. The comprehensive and collision premiums may be expected to continue to sag, but the bottom has by no means dropped out.

There has been no loss in number of motor vehicle units insured. An indication of that fact may be gotten from a comparison of the trend in bodily injury and property damage liability premiums. In B. I. the heavy rate reductions took place whereas there was little rate change in P. D. Last year the B. I. premiums amounted to \$329,984,853, a decline of \$42,989,769 or 13%, but the property damage premiums fell off by only \$3,533,294 to a total of \$114,058,575, the decline being only 3%.

Overall Loss Ratio 40%

The overall loss ratio last year on the basis of net premiums written and net losses paid was but 40 as compared with 49.6 in 1942. Each type of company enjoyed an improvement in this respect, the stock fire companies making the sharpest loss ratio gain. The stock fire people had a paid loss ratio of 76.7 in 1942 that was due to the fact that with the cessation of automobile manufacturing auto finance premiums evaporated but the losses continued. Last year the loss ratio of the stock fire companies had dropped to 47.7. For the five years 1939-1943 inclusive the stock fire companies had total automobile premiums of \$952,492,435 and losses of \$499,805,560, for a ratio of 52.5.

While in 1943 the sale of automobile insurance was stimulated by the passage of the new strict type of financial responsibility law in Indiana, Michigan and Oregon and by the amendment to the Ohio law, there was a heavy reduction in premiums in New York state. During 1941 and early in 1942 the New York auto premiums skyrocketed. Last year that business renewed on the lower rate basis and there were undoubtedly a number of backsliders among the motorists in that state, so that the companies that are heavily interested in New York



showed greater percentage decline than did the others. The stock full cover and mutual full cover groups, consisting of companies that do not operate in New York, last year actually made an increase in premiums while the stock casualty and mutual casualty companies recorded heavy premium losses.

Mercurial Line

Automobile insurance is a mercurial line and it is the one that will be the most sensitive to post war developments. That there will be a sharp increase in premiums with the rush to buy new cars seems certain, but, of course, with a very long war the number of automobiles in operation may have declined so drastically that the premium volume may be very much less than it is today.

The end of the war will create a critical rate situation, because as C. J. Haugh, actuary of the National Bureau of Casualty & Surety Underwriters, pointed out in addressing the Louisiana agents association the other day, there is in the third party line no rating scheme other than that based upon the ration card.

Eliminate rationing overnight and a substitute plan would have to be improvised in the morning and telegraphic announcement broadcast in the afternoon. Thus, the casualty business at least faces the challenge that is offered of constructing an entirely new rating system and in this direction some very great advancements may be anticipated.

Mr. Haugh suggested the possibility that the B. I. and P. D. coverages be telescoped and made indivisible and that insofar as the personal injury feature is concerned a single limit be provided instead of a limit per person and a limit per accident. Such a program would be welcomed, we are sure, by agents and the public. It would eliminate confusing and awkward terminology. For instance property damage liability is frequently confused with property damage, meaning physical damage to the property insured.

Mr. Haugh also leans strongly to a rate distinction according to mileage and a higher rate if there is a driver in the family below the age of 25. Which leads us to wonder if Mr. Haugh has prepared

a defense for an agent confronted by a 24 year old former lieutenant colonel in the air force demanding to know why he should pay a higher premium than a 60 year old grandfather.

It seems certain that there will not arise again the major differences in premium costs as between different types of casualty companies that existed during the 1930's. Leaders in the bureau ranks are determined that this shall not happen and the independent stock companies and mutual companies will not again be presented with the price edge that enabled so many of these companies to forge ahead to ever higher levels during the depression days when cost was such a factor and auto rates were high.

On the other hand these companies that did make such huge gains have now attained new stature. Their financial position is excellent, they have established service facilities and they have a satisfied following of agents and policyholders.

The competitive situation in the casualty field in the post war period is likely to be intense, with the various elements in the business vying with each other to show signs of progress and to keep the costs down.

In the fire company field the big question of finance business will again arise. Whether the finance companies will step back into their old commanding position or whether banks will capture a major share of the financing and if so whether the average local agent will get the insurance or whether wholesale deals will be involved are questions for the future.

Traffic in Commissions

Constructive leaders hope that some scheme can be developed that will do away with the unsavory traffic in insurance commissions that surrounded the finance business when there was finance business to be had. There are defeatists, however, who believe that the factors inherent in the transaction are such that there will always be a finance business problem. The trouble is that the regular insurance companies are powerless to control the situation alone because any reform move that they might institute could be negated by some countermove by the finance companies themselves through their own insurance subsidiaries.

This year for the first time there is included in the automobile edition articles pertaining to aviation insurance. The material has been prepared under the direction of Kenneth Force, associate editor of THE NATIONAL UNDERWRITER, and Robert B. Mitchell, eastern editor. It is based upon conversations with insurance buyers for airplane companies, and experienced leaders in aviation insurance, both in company and production ranks. It is felt that airplanes and motor cars are likely to be bracketed in the future in underwriting

(CONTINUED FROM PAGE 21)

FIVE YEAR AUTOMOBILE INSURANCE EXPERIENCE EXHIBIT

	1943				1942				1941		1940		1939	
	Net Prem.	% of Total	Decrease in Prem.	% Decrease	Losses Paid	Loss Ratio	Net Prem.	% of Total	Loss Ratio	Net Prem.	% of Total	Loss Ratio	Net Prem.	% of Total
STOCK CASUALTY	248,727,998	40.1	-43,834,380	14.9	100,915,949	40.6	292,562,378	42.4	43.3	293,198,264	35.2	45.5	258,522,431	36.1
STOCK FULL COVER....	52,158,638	8.4	+625,977	+1.2	17,566,638	33.6	51,532,661	7.6	42.1	56,038,091	6.7	44	48,258,091	6.7
STOCK FIRE	133,120,185	21.5	-11,606,832	8.0	63,631,361	47.7	144,727,017	20.5	76.7	277,010,601	33.2	50.6	235,937,210	32.8
MUTUALS	144,068,165	23.3	-17,840,835	11.0	50,834,463	35.3	161,909,505	23.2	40.2	162,477,970	19.5	41.7	137,476,119	19.3
RECIPROCAIS-LLOYDS ...	41,510,380	6.7	-1,986,070	4.4	15,009,512	36.1	43,496,450	6.3	42.1	44,456,300	5.4	45.7	36,800,795	5.1
TOTAL	619,585,366	100	-74,642,285	10.7	247,957,983	40.0	694,228,011	100	49.6	833,181,226	100	46.4	716,994,646	100

DEFINITE PLAN PRESENTED FOR

Getting Business Now and Holding It

Never before in the history of the automobile business has there ever been such an unprecedented opportunity for the development of automobile insurance by local agents, Hartford Fire and Hartford Accident declares in a special 1944 promotional campaign for local agents. Only a few years ago 65 to 70% of all fire, theft and collision premium volume was controlled by finance companies while today about 90% of this business has passed from their control, it is pointed out.

This expansion program aimed at giving local agents a new view of the entire automobile insurance field has been worked out by the Hartford group's southern department with the objective of aiding agents not only to get more business under wartime conditions but to prepare them for holding their gains later.

"Our first approach," Manley Stockton, assistant manager, Atlanta, says, "has been a general discussion of the opportunity, accompanied from time to time by more specific suggestions which include advertising material, joint meetings of local boards and local banks, the preparation by banks of finance charts for the use of agents and a series of letters from banks to agents clearly establishing the willingness of banks to cooperate with agents in preserving existing policies when new cars are purchased.

Agents Need New View

"We have much faith in the approach which we are suggesting to the agents. The opportunity to correct many of the well known evils of the "finance era" is at hand. It came in a rather unexpected way. It seems to us that our greatest need is to urge the agents to take a new view of the entire field of automobile insurance and grasp the opportunity not only to acquire the business under existing conditions, but to lay plans to hold it in the postwar period.

"There is nothing new in the approach except possibly some of the more specific detailed suggestions that will be forthcoming from time to time. However, the existing circumstances are new and the opportunity is an unprecedented one.

Tries to Spread the Gospel

"The material is written primarily for the agents of our southern department, but it will give any one the line of thinking which we are following and which we are urging on our agents. This program is one that will produce the best results when it can be adopted generally by agents. We are doing everything we can to place these ideas before local boards and state associations. While there may be some features of this program that may prove disturbing to finance interests that ordinarily control the insurance, we cannot see that the agents can be criticised for trying to issue all of the policies they can and then trying to retain them even if it requires a finance facility in some instances. We have received the most enthusiastic response to the whole idea."

The program sets forth the present situation in regard to automobile insurance, pointing out many owners of paid-for cars which were financed have never been solicited for coverage although they have been accustomed to carrying fire, theft and collision. "For the first time in the history of the business agents have an opportunity to make customers out of these car owners," it is declared.

"In 1939 before the war started, there were 27,000,000 registered passenger cars in the United States. At the present time there are 23,000,000 registered passenger cars.



How many people in your community are in this situation?

"The automobile industry forecasts that if no new cars are manufactured until after July, 1945, there will be 21,000,000 registered passenger cars at that time. This shows that the major part of the automobiles to be taken off the road have already gone out of the picture. Government figures show that 20,000,000 passenger cars are absolutely necessary and essential in the war effort.

"We can, therefore, proceed to sell present car owners with assurance that nearly all of them will need this kind of protection for the duration and certainly they will be car owners after the war.

More Policies Today Than Before

"It may surprise you to know that there are more policies on agents' books today than ever before and our studies show that this number can be greatly extended by agents who contact car owners at the present time. These new customers already on the books and the others agents will acquire are the very type that have always provided the major source of profit in all lines for agents.

"We believe the plan we outline here will make auto policies stay on the books of the agency organization year after year just as fire business does.

"One of the mistakes we made in the years before the war was that we had no plan for retaining the policies we wrote. Unfortunately, we did not show automobile owners that it was unnecessary to buy a new policy every time they bought a new car. To all of us with long experience in the insurance business this seemed such a simple point that it did not deserve much thought, but the fact remains that the average policyholder apparently misunderstood and believed that trading his car meant that he must trade his insurance. All of us must keep this in mind and talk with customers about it at every opportunity.

Automobile Coverage Material

"We believe, as part of the program to retain business, that all agents should immediately start enclosing new 'Automatic Coverage' promotional with every new and renewal policy and start talking about 'Automatic Coverage' at

every opportunity in order to inform all policyholders of this feature before the rapid trading of cars again becomes one of our problems.

"In years past many policies were lost to agents because automobile dealers and finance companies demonstrated the need for collision protection to cus-

Automatic Coverage

This policy is so written that it automatically covers any other car which you acquire. Don't buy other insurance and suffer short rate penalty under your policy. Phone us within the 30-day period of automatic coverage so that this policy may be properly adjusted. If you finance the purchase of another car, inform your bank or lending agency that you already have insurance which can be made to conform with any stipulated insurance requirements. Don't make an unnecessary purchase of other insurance. Consult this agency.

This is the type of enclosure which Hartford group urges be sent with all new and renewal policies.

tomers and sold them the idea of buying their more complete coverage. This causes us to believe that by selling collision coverage along with fire and theft we will be taking another step to protect the business now on our books when trading is resumed.

"From experience we know that automobile coverage is easier to sell if the agent emphasizes the collision hazard and its low cost when compared to the enormous risks created by poor tires, poor brakes and roads filled with heavy war rushed trucks. The cost of repair has probably doubled and even minor damage creates a repair bill in excess of \$50.

"The great majority of car owners have either had their own car wrecked or a friend's car has been wrecked or they have actually seen several such road disasters. There is no hazard more real or better known to any class of prospect than the collision hazard, and

a large percentage of the uninsured risks at the present time have been in the habit of carrying collision through the finance company.

"Furthermore, ration card credits are being allowed on collision, and, of course, the premiums are reduced again because of the advanced age group. It is evident to everyone in the business that as the rates have gone down the value of the car has remained constant or even increased. If you find less than 75% of your policies include collision then you have not equaled the record of many agents who advocate this cover.

COLLISION INSURANCE

"In addition to contacting uninsured car owners for the solicitation of fire, theft and collision coverage, we feel every agent should review his outstanding automobile policies and consider approaching those assured who do not have collision protection with the suggestion that collision cover be added pro rata to expiration.

"You will be interested to know that the National Safety Council's figures show that immediately after the war started there was a large decrease in the number of wrecks. However, during the past six months the situation has become steadily worse and at the present time 5,000 automobiles are damaged beyond repair every day. The situation has changed in recent months, and we believe it would be proper for agents to reopen the subject of collision insurance with their customers even though they did not feel the need of this protection at the time the policy was written. Such a canvass will further identify your agency in the minds of the assured, and in addition to selling a much needed cover you will not be guilty of having overlooked an obligation in case of an uninsured loss.

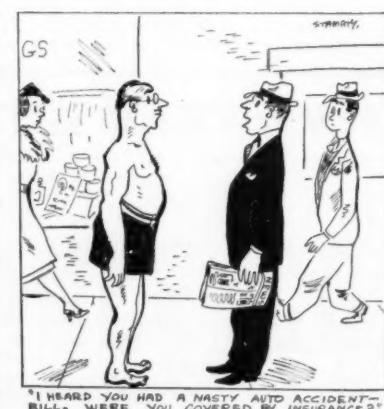
Careful Driver Excuse

"The statement by the owner that he is a careful driver is no longer a good excuse. The collision hazard is very real even while a car is parked on the street and even if there is only an 'A' ration card there still remains a collision hazard that justifies the reduced premium applicable to that class of owner. The fact that less than 10% of all damages is collected from those responsible demonstrates that careful driving is not sufficient protection.

Manual Rates

"Dealer-agents are being urged to solicit the renewal of finance business and secure insurance on cash sales or any other automobile business that can come their way. Our studies have indicated that these dealer-agents have not yet become good insurance solicitors and they are rather skeptical of the

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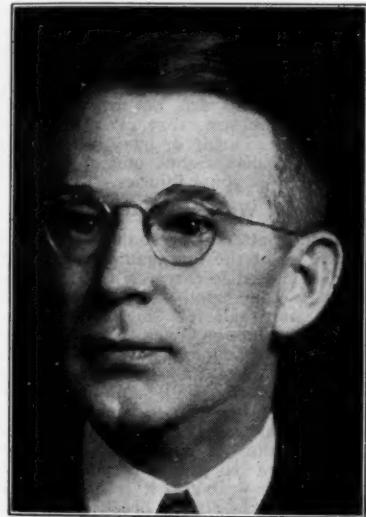


Agents Prepare Now for Future New Car Sales by Personal Service

Local agents throughout the country, according to a poll by THE NATIONAL UNDERWRITER are much interested in the future of their automobile business. Just now the situation naturally is abnormal due to the fact that there are no new cars coming into the market. Old cars have inflated values. It is difficult to get tires and parts. However, the poll displays the fact that local agents are not overlooking the time when the automobile industry will reach a point of normal production and then there will be a great demand for new cars.

W. D. PETTIGREW

W. D. Pettigrew of J. E. Lutz & Co. of Knoxville said that there are certain aspects with regard to the automobile insurance business that are difficult to



W. D. PETTIGREW

treat with confidence as to the future. However, he makes these observations: "In our business, we have found many people buying automobile insurance for the first time, a fact which was of assistance in materially increasing the number of our policy sales during the past calendar year. Perhaps there are two principal reasons for this result. One is the reduced cost and another is the greater concern of automobile owners as to the value of an automobile during these times, an increased importance from the standpoint of third party liability, and the increased cost of repairs due to loss and damage to the car itself. It is our practice to encourage purchase of complete protection, certainly to include deductible form of collision insurance."

Should Build for Tomorrow

"While no new automobiles are being sold, yet there is an opportunity to an agent to pursue a program that will be helpful later on—frequent friendly contacts with present automobile repair and sales agencies and a similar attitude toward present clients who will be buying new cars when they are available. Many of us believe that when new cars are again on the market, financial institutions, both commercial banks and finance companies, will be most active in the automobile finance business. All such institutions are seeking ways and means of lending money and the rate of return on automobile financing will probably be as attractive as in any other particular field."

"As to the commercial car business, it has always been attractive to us, and we have a considerable volume on the

fleet plan. Our loss experience on the class has been very good, and the present favorable experience is perhaps due in part to operating restrictions bringing about fewer accidents, thus producing an overall satisfactory loss experience."

GEORGE W. CARTER

The redoubtable George W. Carter, head of the Detroit Insurance Agency of Detroit, always has some observations that are worth while. In connection with the automobile situation today he says:

"With the broad forms of automobile coverage now available, together with the voluntary medical coverage obtainable and the intelligent adjustment service maintained, particularly on physical damage losses, the automobile insurance buying public of today is receiving more for its money than ever before in history. The lessons we have learned in this period will enhance our position for the future. Renewals are automatic based upon the service rendered and the coverage provided."

Public Protection Conscious

The national safety educational program has taken hold throughout the country and the automobile driving public is conscious of the fact that it must preserve its transportation facilities and is more cautious in driving. This goes for the pleasure type of car as well as the commercial vehicles—in fact, large operators of commercial vehicles and pleasure type cars have instituted individual safety programs within their own organizations. The results have been very beneficial in reducing the accident frequency and severity and are reflected in lower costs.

"With reference to the finance business, there is a public demand for this service. The finance companies did all the spade

work in this field and it was not until recent years that the banks became interested. After all is said and done the public renders the final decision and we

said, much less any active work to accomplish it is almost out of the question. Mr. Allen, however, makes the following comments:

"I believe that an agency should, insofar as is possible at this time, endeavor to contemplate the future from a safe point of view. By that I mean from a point of view satisfactory to the companies it represents and to the clientele that it serves. Of course, frequent contacts are one of the best steps always to tie in with present clients and personal calls to secure new ones. However, under the conditions existing at present these are not always possible; therefore brief, friendly messages, telephone calls and various other forms of advertising, we believe, go a long way to secure new clients. Yes, in spite of present conditions it seems that the business requires more servicing, particularly so, in regard to losses."

Tries to Sell Full Coverage

"We always try to sell our prospects just as full coverage as we can including collision and medical payments together with some of the miscellaneous sidelines that make them think, in the event of a loss, they have something just a little better than the other fellow."

"In our community we believe that the majority of worthwhile people carry insurance and those that have not been insured are gradually being eliminated as automobile owners. We think that most automobile drivers appreciate the value of their cars and this has led to an increase in collision and comprehensive business."

"We do use the telephone much more than we ever did before and we plan our trips by localities to cut all of the traveling and waste of time we can."

"Financing of automobiles and various articles and the insurance thereon will be one of the biggest problems of the future. I believe that more banks will become interested, that there will be more smaller finance companies, and the larger finance companies are even now looking forward to writing the insurance business on the articles they finance."

Situation with Trucking Concerns

"We have never made any particular drive for the so-called trucking lines or rather we haven't in recent years. Most of the trucking lines are outgrowths of small local affairs that had a hard time getting started, had poor experience both from an underwriting standpoint and from a financial viewpoint. When they reached the stage that they were really profitable, they then went to the New York or Boston brokers and se-

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Now Is Time to Drive for Auto Coverage

Every automobile insurance policy sold now is an investment in future renewals. Extra effort now to get business on the books is imperative. This is the time to sell former finance company customers. Many car buyers before the war hardly completed payments on their cars before they decided to buy a new car. During this lull before the new car production starts is the only time this market will be free from competition. This is the time to make a careful checkup in your community for automobile insurance. It isn't hard to sell coverage now as people realize the need and have the money to pay for it—but they won't buy unless you give them the opportunity.

Mr. Agent:

How
many will
you insure?



There is no doubt that a huge, pent-up demand for durable goods has been created by current restrictions on their manufacture. In the post-war market will exist a great potential for insurance. Will you write your share of it, Mr. Agent? Lay the foundation now to secure maximum benefits from tomorrow's opportunities. Maintain your contacts, and make new ones, by personal calls and direct-mail... do your best to maintain a high standard of service in spite of reduced personnel and other handicaps... gain the confidence of your clients by recommending policies to meet the current requirements. The facilities and personnel of our Companies will assist you in every possible way.



AGENCY DEPARTMENT
GENERAL BUILDINGS
PHILADELPHIA

War Has Many Effects on Truck Insurance

War has had very marked effects on the truck insurance business, long-haul as well as local. While the urgent demand for transportation of critical parts and war materials has caused a great boom in truck transport and a substantial increase in premium income, war has brought some special hazards to the underwriting of truck insurance.

First, of course, is manpower shortage. Truck drivers generally are under 38 years of age; they are strong, good physical specimens. Perhaps a large proportion are bachelors, especially in the long-haul field, for they lead a roving life. They were early subject to the draft. Many older, less skilled drivers have taken their places.

Relay Method Is Prevalent

War has imposed harsh demands on men and equipment. It is now common to operate long-haul trucks by relays; a driver will take a truck through to a certain point, turn it over to another driver who has come in on another truck from another direction. The first driver will pick up a truck at the junction point and drive it back. From Chicago to Florida there may be three legs; from Chicago to the west coast, a great many more. Theoretically, the relay idea is not bad; in actual practice it wears out men and machines. Even a tractor needs a rest.

Company and independent adjusters say 80% of the truck accidents are chargeable to personnel. They are avoidable.

Personnel again, or the lack of it, in the form of skilled mechanics, is responsible for much of the substantial increase in truck losses that has been occurring, according to the adjusters. There has been definitely inferior maintenance work done on the nation's truck fleets, in spite of an increased interest of truck operators in keeping their tractors and trailers in good condition because of inability to get any new equipment. Parts are difficult to obtain. Operators actually are bidding against each other for wrecked trucks of types which can rob for parts.

From the standpoint of insurance companies writing truck insurance, this situation is greatly increasing the cost of losses. They find not only are used parts selling for new prices or greater, but in many instances it is necessary to repair and rebuild the used parts at a cost possibly double what the new part formerly was priced.

Formerly, collision losses may have increased 100% in cost, according to F. O. Lanning, head of the claim department of Markel Service in Chicago. While Markel does not write collision, it catches these increased costs on the property damage coverage. The 1943 average cost of a claim was about 40% higher than for the same period in 1942 in Chicago, it was reported. The 1944 results to date are about the same as in 1943. There was about 25% fewer claims, but the claim severity was considerably greater in 1943, and that is true so far in 1944.

This same experience is testified to by other insurers of trucks. Personal injury claims are increased, because apparently the average worker's time is worth more due to war work. This attitude is reflected also in jury verdicts.

Unauthorized Riders Hazard

In this connection, one of the great hazards to be looked out for is that truck drivers will carry unauthorized passengers, especially soldiers and sailors who are thumbing their way, according to Walter W. Bryant, chief of the Markel engineering department at Chicago. There has been a great increase in the prevalence of this violation of operating rules, he says, and there have been numerous personal injuries and a number of fatalities occurring to passengers. The service men are not supposed to hitch-hike, and in many military jurisdictions they are ordered not to do so. Yet, they are prone to ask for a lift when they are bound home or to the city on furlough, and when they have spent all their money and are miles from camp, they can get back only by using their thumbs. Drivers are only human when they give service men a lift. It should not be forgotten, adjusters emphasize, that even though a man is in the army or navy he does not lose his civilian rights, one of which is to sue for personal injuries.

Pressure of War Production

Still a matter of personnel is the fact that most of the long-haul trucks today are being used to carry critical materials and parts, and upon many occasions the orders may call for "highball" all the way. Production lines of war plants may depend upon some critical part which is moved fast by truck from a sub-contractor. WPB authorities realize it is necessary to get the parts safely to their destination, but speed of transportation is also a vital factor, much more so than in peace times. Under such pressure, it is only natural that manpower should break down once in a while, as well as equipment.

There have been a number of collisions, overturns and fires that were difficult to explain on any hypothesis except seepage of carbon monoxide into the cab of the tractor, Mr. Bryant noted. Some underwriters and adjusters feel that things have been made too comfortable for the truck drivers. They have well-upholstered seats, a heater, radio, and a pallet behind the seat.

Problem of Repair Work

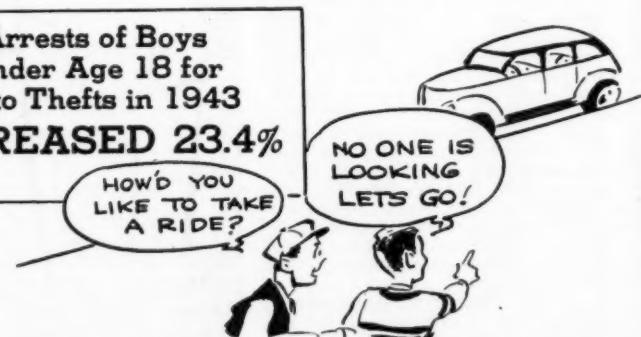
An observable but small percentage of truck losses has been due to mechanical defects and breakages, according to Robert R. MacDonald, superintendent of engineering of Zurich's U. S. head office in Chicago. The main reason for losses is the lack of skilled mechanics. They have deserted or been drafted to the air force or tank corps. This is an increasing problem, according to Norbert J. Tierney, staff adjuster of Wag-

(CONTINUED ON PAGE 21)

Arrests of Boys
Under Age 18 for
Auto Theft in 1943
INCREASED 23.4%

HOW'D YOU
LIKE TO TAKE
A RIDE?

NO ONE IS
LOOKING
LET'S GO!



Figures from Federal Bureau of Investigation report for 1943.



MORE BUSINESS WITH AMERICAN MOTORISTS---

Financial Statement

As of December 31, 1943; as reported to the Department of Insurance, State of Illinois

All bonds amortized. All stocks at book values. Market values of both bonds and stocks exceed the values used in this statement.

ASSETS

Cash in banks.....	\$ 7,503,439.76
U. S. Government notes and certificates..	3,904,216.53
U. S. Government bonds.....	685,503.09
State, county and municipal bonds.....	179,585.31
Public utility and other bonds.....	292,778.18
Stocks	452,816.00
First mortgage loans on real estate.....	79,991.40
Real estate	78,290.93
Premiums in transmission.....	835,831.56
Accrued interest and other assets.....	23,034.32
Total admitted assets.....	\$14,035,487.08

LIABILITIES

Reserve for losses and adjusting expenses	\$ 7,670,543.65
Reserve for unearned premiums.....	2,203,210.00
Reserve for taxes and expenses.....	457,974.45
Reserve for dividends and unassigned funds	953,758.98
Reserve for contingencies.....	250,000.00
Total liabilities except capital.....	\$11,535,487.08

Capital stock	\$1,000,000.00
Net surplus	1,500,000.00
Surplus as regards policyholders.....	2,500,000.00
Total	\$14,035,487.08

Securities carried at \$628,103.00 in the above statement are deposited as required by law.

Aggressive insurance men in communities throughout the country are building for the future with American Motorists.

They have found that American Motorists is a company that has helped hundreds of agents build for themselves strong, outstanding agencies—that American Motorists multiple-line facilities enable them to furnish all forms of casualty insurance protection and fidelity and surety bonds—and the low net cost on these lines offers the most effective sales ammunition to meet active competition.

American Motorists offers tangible advantages to the insurance buyer in broader forms of protection and in the dividend savings that always have been returned to participating policyholders. The aggressive agent can turn these valuable sales advantages into greater premium income.

American Motorists management stands for sound, conservative progress in handling of investments, in establishing loss reserves and in underwriting. The financial statement of this \$14,000,000 company shows the strength of American Motorists and its highly liquid condition.

The nationwide engineering service and prompt and equitable claim settlements of AMICO are a valuable asset to the agent.

American Motorists advertising promotional and merchandising material helps put the sales story across and enables agents to keep ahead of the field and develop business along sound permanent lines for the future.

Find out about the American Motorists agency franchise in your community. Just write on your letterhead today.



Chicago (40): Sheridan at Lawrence
New York City (17) 342 Madison Avenue
Philadelphia (7): 12 S. 12th Street
Boston (16): 260 Tremont Street

San Francisco (4): Russ Building
Los Angeles (5): Kemper Companies Bldg.
Atlanta (3): Kemper Insurance Bldg.
Syracuse (2): Syracuse-Kemper Insurance Bldg.

A Nationwide Company Writing All Forms of Casualty Insurance and Fidelity and Surety Bonds

Executives View Present, Future Sales Possibilities

Company men are fairly well agreed that there is still a large volume of unwritten automobile business which can be secured, according to views expressed by a number of leading executives. Losses are increasing and the actual cash value policy losses are creating some concern but as one manager points out, this may be disturbing now but it will prevent abuses when values drop after the war.

Keeping Business on the Books

"There is plenty of business now and there will be in the future if agents will go after it," Allen R. Goodale, secretary compensation and liability department of Travelers, points out. To prove this point Mr. Goodale cited what happened in Indiana, Ohio, Oregon and Michigan in 1943 in connection with the strengthened financial responsibility laws of those states. The same thing happened in New York in 1941. "While these financial responsibility laws made an added reason for the carrying of automobile bodily injury and property damage insurance by car owners, they

gave the agents something new to talk about.

"There are plenty of reasons today why people should carry insurance. They have more to lose on account of their increased earning capacity if they are involved in an accident. They also have more to lose on their own cars. Furthermore, today people have the money to pay the premium. An agent can make a good commission on automobile business by writing bodily injury and property damage with reasonable limits and include medical payments and comprehensive and collision. There is no reason for a defeatist's attitude as the record of agents who really solicit business will prove. If they have the business on their books now they will also have it when the time comes for new cars to be available to the public."

Actual Value Provision

"The 50% retention collision form has worked out reasonably well. The form has some advantages over the straight deductibles, but I believe the

latter are easier to sell and less apt to be misunderstood.

"There has been a lot of discussion about the actual cash value. Even if a policy is written on the stated amount basis the losses are adjusted on the basis of actual cash values not in excess of the stated amount of insurance. To my way of thinking the trouble is not so much with the actual cash value as a basis of rating as it is the increase in cost of settling claims. It may be that the formula on which the actual cash value premiums were established is not producing the best results right now due to inflated values of cars. That is no good reason for throwing overboard a principle which has served the companies well for many years and which in my opinion will be of equal service when the present inflated values get back to normalcy. The actual cash value system will more than make up for whatever slight deficiency there is now when prices of second-hand cars topple."

Signs of Increasing Loss Ratios

"There are signs of increasing loss ratios on bodily injury and property damage and collision although there is no assurance that a trend upward has actually set in. Most companies report that the last quarter of 1943 was much higher than the first nine months. The



What? No prospects for automobile insurance?

reason is an increase in the claim frequency. In the early months of 1943 the number of accidents as reported to the companies was substantially less than it was for the same period in 1942. This reduction more than offset the increase in the average claim. Many companies report an increase in the average cost of claims and this is easily understood in the light of the present economic situation. Companies and agents should keep their feet on the ground at a time such as this and await developments. The companies may be in for some tough sledding but in my opinion they are all going to be in there working for business but not sacrificing quality for quantity. There is no reason for anyone to be downhearted or discouraged. The postwar period and rating methods for it are having plenty of study.

"In my opinion after the war is over there will be a steady increase in the strengthened type of financial responsibility law. That will make for substantial gains in writings and every one should be prepared accordingly."

In explaining the loss of premium income on automobile business, one leading home office executive points out that in addition to the new car situation the more prevalent use of the actual cash value form and the tendency for "A" ration card holders to drop their collision coverage are being felt.

Actual Cash Policy

"Because of the bargain price that the A. C. V. policy is being sold, this naturally of itself results in a greatly reduced premium. While we have almost as many daily reports today as we had a year ago some of our assureds, particularly the 'A' card holders, have continued to renew for fire and theft but have dropped their collision. This also accounts for a reduction in premium income; the 'A' card fellow feels that at the low mileage he is permitted, it does not pay him to carry collision."

"Now that brings up the question as to whether the A. C. V. form of policy is putting companies behind the 8-ball. My considered judgment is: 'By all means, no.' True it is being sold at a bargain price; and equally true, where we have a total loss we pay more than that contemplated by the premium charged, but 'so what?' Fire and theft is still a big money-maker. Companies are losing money on collision but even that will some day right itself. Just as soon as the price of parts and labor charges return to normal, I confidently expect that those companies which are advocating and pushing the A. C. V. contract, as we are, will reap a harvest."

Valued Policy Contracts

"Let me ask a question. As an underwriter, would you rather have all A. C. V. policies in the hands of the public when the first car comes off the assembly line in the postwar era, or would you rather have policies issued in stated amounts reflecting the distorted values of today. I think the answer is obvious, for all we need to do is to look back

12th Consecutive Year of Increased Premium Volume

FINANCIAL STATEMENT

ALLSTATE INSURANCE COMPANY ALLSTATE FIRE INSURANCE COMPANY

DECEMBER 31, 1943

Assets

Investments:

	ALLSTATE INSURANCE CO.	ALLSTATE FIRE INSURANCE CO.
United States Government Bonds.....	\$ 6,012,401.00	\$1,892,729.00
Municipal, Public Utility and Industrial Bonds.....	396,292.00	113,972.00
Stock of ALLSTATE FIRE INSURANCE COMPANY.....	720,283.00	.....
Stocks	817,439.00	282,525.00
First Mortgage Loans.....	268,794.52	87,998.14
	\$ 8,215,209.52	\$2,377,224.14
Cash	1,191,834.51	268,695.71
Premiums in Course of Collection.....	1,062,240.87	.....
Accrued Interest and Other Assets.....	91,237.24	39,354.07
	\$10,560,522.14	\$2,685,273.92

Liabilities

Reserve for Losses	\$ 3,357,874.68	\$ 180,244.00
Reserve for Unearned Premiums.....	2,686,854.45	1,069,947.68
Reserve for Taxes	457,984.03	202,515.43
Reserve for Expenses	81,514.15	44,519.74
Reserve for Dividends on Unexpired Policies.....	197,543.84	31,210.49
Reserve—Miscellaneous	60,357.63	2,506.97
Reserve for Contingencies.....	500,000.00	150,000.00
Capital Stock	\$1,000,000.00	\$300,000.00
Surplus	2,218,393.36	704,299.61
Total Capital Stock & Surplus.....	3,218,393.36	1,004,299.61
	\$10,560,522.14	\$2,685,273.92

All eligible bonds amortized. All other bonds and all stocks valued at quoted market prices as approved by the National Association of Insurance Commissioners.

Securities carried at \$409,261 in the Allstate Insurance Company statement and \$366,068 in the Allstate Fire Insurance Company statement are deposited for purposes required by law.

HOME OFFICE: 20 NORTH WACKER DRIVE, CHICAGO

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PREFERRED PROTECTION

Insurance provides money when a person needs it most

This is particularly true of automobile liability insurance—especially when the insured is faced with the payment of a sizeable claim.

An automobile accident is a horrifying experience. Even when financial obligations are not involved, the impact of the collision is a terrific shock to one's nerves, but when demands for claims involving thousands of dollars are added to the nightmare of wrecked cars, PREFERRED PROTECTION provides welcome relief.

No one wishes to test the value of his automobile insurance by actual experience but, when your policyholder has PREFERRED PROTECTION, you can be assured his claim will be serviced, investigated and adjusted promptly by experts.

During the last 59 years, PREFERRED'S entire organization has adhered to this principle of service until it has become a vital, motivating force in the performance of every-day duties.

You can offer a PREFERRED Automobile Contract with complete confidence that it fully protects the insured's interests.

*The Preferred
Accident Insurance Company
of New York.*

80 MAIDEN LANE, NEW YORK

Edwin B. Ackerman, President

Automobile • Accident • Burglary • Plate Glass • Liability • Compensation

— Branch Offices —

Boston • Buffalo • Chicago • Los Angeles • Philadelphia • Pittsburgh • San Francisco • Newark

in our memory book and recall the horrible experience of and the abuse by the public of the valued policy in the years 1920 and 1921. That was the time, you will recollect, when companies had valued policies out at high amounts and the assembly line method of production hit its highest stride, and new cars were coming off the line, of a better type and at less money than the previous model.

"You will remember what happened. I do most vividly. We were swamped with telegraphic advices that cars were stolen, and the next day we would get word that they had been found burned on a certain road. Those events do not follow each other so quickly unless there is an inducement, and possibly it could have been the over-insurance in the contract. I know from my own experience as an adjuster that thieves do not burn automobiles for they cannot sell a burned car. Could it possibly be that they were induced to burn it?

Trends of the Business

"Now as to the trends of the business, particularly affecting the war era. I believe we will find a greater number of banks interested in time sales accounts. I also am of the opinion that a goodly number of financially sound dealers, either with or without the aid of creating finance companies, will also



Office of Defense Transportation estimates that 1,250,000 cars will be scrapped in 1944, that there will be 23,050,000 cars at the end of 1944, 21,800,000 at end of 1945. It estimates that 1,000,000 cars are being held in storage by owners and used car dealers.

become increasingly interested in financing their own time sales.

"This being so, I think the smart agent will lay his groundwork for contacts now both with the bank and his dealer friends because both have always proved the best source for leads to an agent for insurance sales. I have been told that some dealers are selling priorities for the delivery of new cars if and when they come off the assembly lines. They tell me that they actually issue a certificate giving the customer his priority number on a bind-the-bargain basis of \$25. If the purchaser does not take the car when his priority number comes up, he gets his refund and must go back to the end of the line. Don't you think that this offers the wide-awake agent the possibility of contact-

ing those priority purchasers so as to get them all lined up for their insurance needs—not alone the physical damage coverage, but how about property damage and liability as well?

Apathy of Agents Seen

"I know that today there is considerable apathy on the part of agents on the automobile line, especially its physical damage feature. Some do not sell it, but just provide it if the customer comes into their office. I have often thought that these agents are missing a good bet by not using the towing and road service coverage as a leader. The charge for that coverage is low and with cars getting older and the possibility of breakdowns becoming increasingly numerous, it would seem to me that they should take advantage of the situation and sell it along with their fire and theft, recognizing that aside from materially increasing their commissions, they would be doing their customer a good service and at the same time be in a position to continue to renew that type of coverage when we all operate new cars."

E. R. VOORHIS

"There is no question but that the automobile business will have a bright future in the post-war period," E. R. Voorhis of Newark, N. J., executive regional manager of the Royal-Liverpool group, points out. "Although no one can predict with any degree of accuracy when it will be possible for the federal government to permit the manufacture of automobiles for civilian use in large quantities, reliable information indicates that unless automobiles are manufactured before July, 1945, 37% or 7,800,000 of the cars now in operation, will be less than six years old; there will be over 2,200,000 automobiles in their seventh years of age; 1,500,000 in their eighth year and 9,500,000 over eight years old. Judging by the rate at which automobiles are going off the road, 6,500,000 former automobile owners will be without cars.

"Estimates have been made that it will take over 18,000,000 new cars and trucks to bring the country back to the point where it has as many automobiles in operation as it had in 1941," Mr. Voorhis reports. "This represents an enormous potential market. There seems to be no question but that people will have money to buy automobiles, along with many other commodities, when merchandise is available. It has been estimated that at the end of 1944 the American people will have approximately \$100,000,000,000 in savings. Even though these figures may be too optimistic and only 50% correct, we can look forward to a tremendous increase in automobile buying which, of course, should mean a large increase in automobile premium volume."

Automobile Agency Business

"Although it is true that automobile premiums have been reduced considerably during the past two years, the decrease on strictly agency business has not been nearly as large as may have been expected. Premiums on automobile finance business have naturally dropped to a vanishing point, except in connection with used cars.

"Many agents report increases in their automobile business, not only in connection with casualty coverages, but physical damage as well. These agents

have gone after the business realizing that considerably less than 50% of the cars in the hands of owners who have paid for them were uninsured. This is particularly true as respects physical damage protection. Financial responsibility laws enacted and strengthened in certain states have resulted in a substantial increase in personal injury and property damage business. Increased values, scarcity of cars and inability to purchase new cars, except under priority, has made the average automobile owner realize the value of his car and he has sought protection through insurance.

"There is no reason to believe that an agent should take a defeatist attitude at the present time and there is still some business available. Certainly, agents should be planning for the future in keeping their contacts with their policyholders, dealers and local banks through whom they previously obtained business. In all probability banks will continue in the automobile finance business, possibly to a greater extent in the post-war period than heretofore. There is every reason to believe with the tremendous purchasing power represented by savings, that many cars will be purchased for cash and insurance will immediately become available to the local agents.

Automobile Loss Experience

"Now with respect to loss experience—there was quite an improvement due in part to gasoline rationing and governmental restrictions as to speed, tires, etc. During the past four or five months, theft and collision losses have increased considerably, particularly in the thickly populated defense areas. I believe we can expect increasing loss ratios following the war when speed restrictions are withdrawn and when the American public can again enjoy driving their automobiles without regard to replacement of tires and limitation of gasoline.

"We also must keep in mind the age of automobiles now on the road, lack of proper repair and replacements in some instances, tires being used beyond what was normally considered a safety point and inability, due to lack of manpower, to maintain highways; all of which have a tendency to increase accident frequency. High loss ratios on automobile business followed the World War I and will probably follow World War II."

Mr. Voorhis believes that 80-20 collision coverage is unsound at present premium levels. Only time will tell whether it will grow in popularity and whether it will prove profitable or unprofitable to the companies. "My opinion is that under normal conditions it will prove unprofitable for the present premium is inadequate," he states.

Actual Cash Value Policies

"There is no question but what actual cash value policies are causing insurance companies considerable concern due to increased values of automobiles. The present formula for developing actual value premiums is inadequate, but on the other hand, the over-all experience has improved and it seems only reasonable to believe that should the actual cash value premiums be increased to a point more nearly reflecting values of the automobiles insured, that some reduction in rates would have to be made. At least until this time it has been my belief that it would be inadvisable to attempt to adjust our rate and premium structures to fit a temporary abnormal condition brought about by the fact that no passenger cars have been manufactured since February, 1942, which has resulted in a shortage of automobiles.

"All collision coverage is written on an actual cash value basis at a premium per car. Therefore, any attempt to adjust actual cash value premiums for fire, theft and comprehensive to produce a premium more in keeping with the increased liability assumed by the company, would also necessitate an adjustment in collision premium levels and the experience for the past year and a half or two years would not seem to warrant a substantial premium increase. Of course, if the present trend of increased



**VICTORY FIRST
SAFETY ALWAYS**

Don't let hustle and haste lead to injuries and waste. Underwriting and the cooperation of the producers contribute much to the safety consciousness of the public — let us not relax our vigil.



Why It Pays To Own Good Automobile Insurance



"I don't need Automobile Liability Insurance," an automobile owner said. "I'm not driving much these days."



A few weeks later, a mile from home, his car skidded on a slippery spot and crashed into a parked car.



He called on the owner to see what the damages were. Owner said he didn't know—told him to see his repairman.



The repairman said he was too busy to make an estimate at that time. He would try to do it later.



Again he called. The repairman said he estimated it would probably cost \$250 and might cost more.



Finally, after several calls he got his own repairman to give him an estimate. The second man thought the car could be repaired for \$125.



After several interviews and considerable argument, the owner of the damaged car agreed to settle for \$150.



Then after dickering he drew up a release for the other man to sign.



When he figured it all up, lost time alone amounted to the cost of insurance. In addition he paid \$150 to the other fellow.

THE TRAVELERS INSURANCE COMPANIES • Hartford • Connecticut

losses continues, some rates and premium adjustments may be necessary."

Since the vast majority of automobiles are now paid for, there is more opportunity than ever before for agents to solicit business which was not available to them heretofore, E. A. Drews, assistant secretary of Great American, points out.

"With the resumption of automobile manufacturing, there is sure to be a tremendous demand for new cars and since it will take years to satisfy such demand, the prospects of a continued development of automobile business after the war for an extended period is most promising. Obviously under such conditions, it would be a mistake for anyone to assume a defeatist attitude and neglect the business. Frequent contact with automobile owners is sure to pay dividends in the future when new cars will again be available."

There has been very little demand for 80-20 collision coverage except in the western territory, Mr. Drews reports. "It is difficult at the moment to determine the experience with this form since it was only recently adopted.

"As for the actual cash value form, there is no doubt but that existing premiums for this form are low when one considers the enhanced value of cars at the present time. Whether the present premiums are inadequate or not depends upon results, and this can be determined

only by a careful analysis of the past experience. Admittedly there is a disparity in the premiums between the actual cash value and stated amount forms. The subject is of course a live one and is being carefully considered, and it is possible that some re-adjustment will have to be made."

"Automobile physical damage premiums held up during 1943 better than was anticipated at the beginning of the year," A. V. Davenport, assistant secretary North America in charge of the automobile department, observes. "With the conservation program many passenger cars will still be in operation in the year ahead. Combined with commercial cars and buses, there should be a good volume of this business available to the local agent in 1944."

"In looking to the post-war period when new cars are again on the market, undoubtedly many sales will be made upon a finance basis. From what we are able to learn, many banks are planning more actively to develop the automobile loan field. This will offer the local agent the opportunity to develop more automobile physical damage insurance than ever before. Agents can make the most of this opportunity now by keeping in touch with their bank and discussing with them their post-war plans for developing automobile loans."

Over 18 Million New Cars Needed for Post-war Market

By WILLIAM J. TRAYNOR

Publicity Manager North British & Mercantile Group

Time was, as our better novelists say, when the plans were most carefully guarded and hidden away in the innermost recesses of the secret archives. But that condition does not obtain these days so far as post-war plans are concerned. Now they are aired right out in the public prints so that everyone may have a preview. So, let us do a little post-warring with the automobile people in order to see and prophesy the effect of that industry's plans after the war on the automobile insurance business.

"Quick, Watson, the needle"—I mean the crystal ball!

The future of the automobile business promises to be, looking from here, rosy indeed. According to Glenn H. Cummings, staff correspondent of the "Wall Street Journal," the results of a survey of the post-war automobile market, recently completed by the Chevrolet division of General Motors, shows that:

What a Survey Shows

Six and a half million former automobile owners will be without cars by July, 1945.

Nine and a half million owners will be driving "junk-piles" worth less than \$100 by that time.

Seventeen million owners, 53% of the pre-war total, will be in the market for replacements.

A million former truck owners will be without trucks.

Production of 18.4 million new cars and trucks will be necessary to get this country back to its pre-war standards of motor vehicle transportation.

Reports and surveys from other large automobile manufacturers indicate a similar enthusiasm looking to post-war automobile production and sales.

All of these reports and prognostications point the way to a future tremendous market for automobiles—and for automobile insurance! That is where the local agent comes into the picture. Even though the automobile business has dwindled and will continue to dwindle for the duration, he would do well to look ahead and plan for the post-war period. He would do well also not to neglect soliciting automobile business now even though new cars are not being manufactured or released to any great extent at the present time. After the war when new cars are available, almost everyone will want or need one, as is indicated very strongly in the foregoing Chevrolet survey. A new risk on an agent's books now will stay with him when the new car is purchased in post-war days and will mean increased premiums for him at that time.

Optimism Even Seen Today

Frankly, even today agents seem to be optimistic about present automobile business, and new automobile lines are being written which were never written before because owners are realizing more and more each day the convenience, comfort and value of the automobile, besides the fact that it is practically irreplaceable under present conditions. Owners particularly realize that even though a car is not used to any great extent, due to gasoline and travel restrictions, the possibility of a personal injury or collision loss is just as likely to occur as ever. Further, automobiles are just as subject to loss today even though they may be in storage or in actual use but little.

Of course, an agent in approaching a client or prospect regarding new automobile insurance these days must be tactful indeed and should present his sales arguments from a new angle. In that connection, the rather new 80% collision insurance form gives point to a

new angle. As you know, the car owner's most frequent complaint regarding automobile insurance is that he pays for all the small losses—bent fenders, broken bumpers, damaged headlights, etc.—because under the deductible clause he has to pay the first \$25 or \$50 damages himself. This new form of collision insurance, however, pays at least 80c on every dollar of damages sustained. On larger losses the company pays more money in proportion. No matter how a collision happens or who is at fault—the insured collects. Here's how it works:

LOSSES UP TO \$250

Amount of Damage.....	\$85
Company pays 80%.....	\$68
Insured pays only 20%.....	17

Total \$85

*If you had the usual \$50 Deductible form of policy, you would have collected from the company only \$35, instead of \$68—a saving to you of \$33.

LOSSES OF MORE THAN \$250

Amount of Damage.....	\$700
Company pays 80% of first \$250.....	\$200
Company pays 100% of excess over and above \$250, or.....	450
Insured pays 20% of first \$250, only or	50
Total	\$700

From these examples, one can readily see how advantageous this new form of collision insurance is. The insured always collects something—no matter how small the loss may be. (The credit for "A" and "B" gasoline ration book holders also applies to this coverage.)

Selling Auto Cover to Farmers

C. R. Hewitt of Dorsett, Minn., a town with a population of only 40, is an industrious and successful automobile insurance salesman. He is also cashier of the bank and sells real estate.

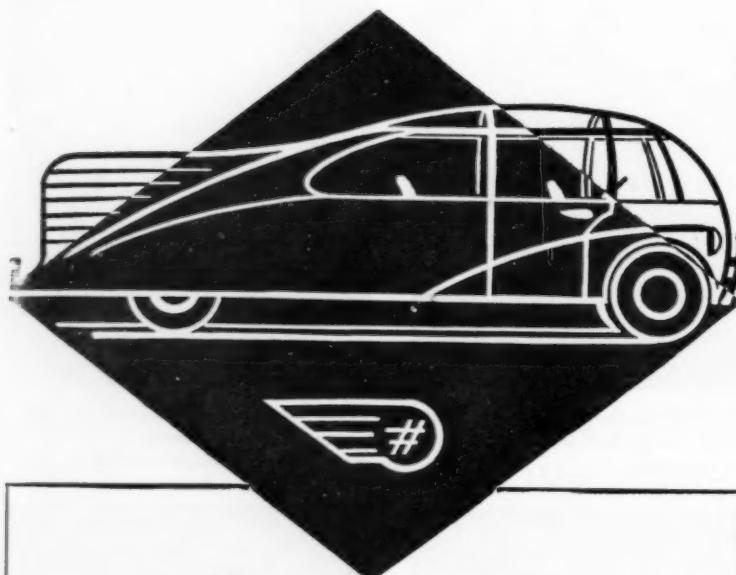
Mr. Hewitt is 48 years of age. He lost a leg in 1909 and has used an artificial limb for 30 years. He has a mailing list of 1,000 names and writes insurance within a radius of 15 miles.

Mr. Hewitt circularizes farmers for automobile insurance and immediately follows up with personal solicitation. He finds that farmers very readily purchase automobile bodily injury in limits of \$10,000/20,000 and are attracted to the comprehensive physical damage coverages and medical reimbursement. He is able to add the medical reimbursement policy feature to nearly every policy merely by calling it to the attention of the customer. In normal times he places collision insurance on most risks but due to travel restrictions some farmers today are not buying collision. However, those who are dropping the insurance at this time indicate that they intend to buy when the restrictions are removed.

Mr. Hewitt finds that very few motorists understand the real purpose of public liability insurance and he takes pains to explain the theory of this cover in terms that are understandable to the farmer. He emphasizes that in Minnesota if a judgment is taken against the motorist for \$100 or more he loses his license and cannot drive the car. The prospects are jolted when they are told that a judgment is a lien on real estate and might mean a sheriff's execution on personal property.

The farmers are carrying public liability and property damage on their trucks as a matter of course.

Mr. Hewitt points out that the portion of the automobile insurance premium that is attributable to business use of the car is an income tax deduction and that is a telling point. Mr. Hewitt finds that farmers enjoy a personal call upon them at their homes and much of the insurance is written in the farmer's parlor.



THINGS TO COME

The new type automobiles that the post-war world will witness are already being planned by today's industrial designers as streamlined miracles on wheels... stripped of all the non-essentials... slim, graceful land ships that will glide over super highways. • London and Lancashire, although busy meeting today's critical insurance needs, has also not neglected planning for the post-war world and the many new insurance problems that will confront it. Looking ahead to the future with faith and hope, it is confident that with its rich background of experience throughout the years and its enviable reputation for Dependability, it is qualified to meet the tests of the times successfully.

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We believe this coverage to be the broadest world wide aviation and travel accident policy to be offered by any American insurance company. Furthermore, it marks a pioneering step by Continental in a field that has produced well over \$1,000,000 in premiums for foreign markets in the past year but which *you* can now place on your books and retain in this country. The protection provided is a broad, flexible "personal trip" contract, available for your clients in amounts up to \$200,000 on any one life. Special programs available for corporate employee groups, covering travel hazards at home and abroad.



AGENTS AND BROKERS

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Aviation Is Business of Future

Insurance Volume on Line Should Be Substantial

By KENNETH FORCE

No one can accurately forecast the future possibilities in aviation, and all predictions now are speculative and inconclusive. However, the potential development is large, and the insurance possibilities are substantial. Those who will realize on them will be the companies and agents stimulated by the enthusiasm which aviation generates among a great number of people, particularly those young enough to like a new idea and to be intrigued by flying and the economic potentials involved.

For some time, perhaps for several years, there will be more enthusiasm than premiums in the business. But the enthusiasts will prevail and are likely to have their chance at the major portion of the rewards.

More Are Entering Field

In spite of the pause in aviation activity induced by the war and the reduction in total premiums available, week by week new agencies are taking on the line, and individual companies are preparing to get into the field. Probably half a dozen of the latter will announce full aviation insurance facilities this year.

Approximately 135 companies now offer aviation insurance facilities to their agents through the four pools, Aero Insurance Underwriters, Associated Aviation Underwriters, U. S. Aviation Underwriters, and the Employers group, which writes its aviation business through Newhouse & Sayre. In addition 19 mutual fire companies take aircraft hull coverage individually, pooling their experience for rating and safety purposes in the Mutual Aircraft Conference and interchanging reinsurance. This group wrote \$68,000 in premiums in 1943. The larger mutual casualty companies may soon announce aviation facilities, which probably will be offered individually with a conference of some kind for rating. The formation of an additional stock company pool has been suggested.

This, of course, leaves plenty of companies outside to go into the business on their own, join a pool, or disregard the field entirely.

Pools Pioneered Business

The pools pioneered the business. They have the capacity to absorb readily almost any limit of liability or exposure. More important, they have trained and experienced personnel who, having been through the trying early days of aviation underwriting, are capable of exercising judgment that will be essential in the expansion following the war.

There is some objection to pool operation by agents because they cannot bind a risk. They want to do aviation as they do other lines. Some of the companies do not believe there is enough retention of individuality through pool operation. While they retain their company name and maintain their relationship with agents, they believe that as individual companies they could do things which are not now possible. At least one and possibly more large multiple line companies now members of a pool plan to operate individually after the war, when civil aviation business will begin to expand. On the other hand, some of the large companies like the group advantage and plan to continue or get into aviation business through a pool.

There has not been any great pressure to increase commissions paid by the aviation markets, 10% to agents and 15% to general agents (10 and 12½% on workmen's compensation). Aviation faces a real problem in getting the initial and operating costs of private flying down, and the insurance agent has contributed to this in his

commissions. But if there is a substantial expansion after the war, as aircraft and operation costs go down and insurance competition increases, the commission percentage may go up on the smaller planes.

Don't Expect Much Business Now

The new companies entering the field independently do not expect much volume until after the war. They want enough business to get their feet wet and to learn the feel of aviation business so that they will be ready when the time comes with at least a core of trained personnel that can train new people and step up production facilities rapidly at the end of the war.

Perhaps one of the strongest arguments impelling the independent companies, particularly the large ones, toward the aviation insurance field is the number of business and industrial assured that now have or plan to get industrial aid planes for the use of executives in the business. The independent insurer believes that unless it can take care of the aviation along with this type of assured's other business it may lose some of the other lines to a company with aviation facilities.

Hull Reinsurance Hardest to Get

One company now preparing to enter aviation insurance independently found that liability reinsurance is not hard to get from its regular reinsurance sources but there was some resistance in connection with hull cover. Reinsurers want to hold down the possible hull catastrophe hazard, and catastrophe limits are hard to get outside of London Lloyds.

Hull experience has been bad. The developments of the war in safety may help insurers to lower rates, but it is the hull premium that provides the heaviest dollar burden on the airplane owner and operator. Hull coverage can be compared with collision in automobile. It is the collision rate that provides the biggest dollar burden for the

automobile driver, and yet collision is the only line that has been consistently unprofitable for automobile insurers. The bad feature of the hull risk consists of the large partial losses. A pilot will bang an undercarriage and have more of a repair bill than the cost of a second hand plane. The insurers getting into the business must plan on this. The airplane is a fragile and highly priced machine.

AGENTS' OPPORTUNITY

The agent who would like to get into the aviation insurance business probably should have more than a passing interest in aviation itself. Apparently he has to know the aviators and the aviation business pretty thoroughly before he can accumulate much of a premium income from this source. He is likely to have to invest a lot of time in futures. He should have at least a basic understanding of the aviation coverages so that he can talk intelligently. He can get this knowledge in several ways. The "F. C. & S. Bulletins" of THE NATIONAL UNDERWRITER publishes a section on aviation insurance which is comprehensive and suggestive. Aero Insurance Underwriters has a booklet prepared by Major John A. Lloyd which covers the field. U. S. F. & G. got out a concise outline of aviation insurance, and Standard Accident, which recently joined U. S. Aviation Underwriters, just issued a pamphlet on "Aviation Insurance Facts." There is also the aviation section of the National Association of Insurance Agents' study course.

Those agents who have been writing aviation lines for some time are inclined to feel that it will be difficult for the new comer to break into the business. There are some difficulties and it will require time, but aside from the fact that the veteran in the field has a good grip on a large share of business, particularly with airlines, when private flying

expands after the war new opportunities will be created for those who are ready to take advantage of them.

Perhaps the best approach for the agent is to learn to fly or frequent airports; get behind movements to develop local airports; join or help form flying clubs, etc.

The agent can earn his commission on aviation insurance. He is on the ground, he can get and furnish the necessary information on which to base underwriting, and he can swing the business. As a matter of fact, unless he does these things, the expense to the company or pool gets out of proportion to the premiums involved, particularly now when business is thin. If he has to call in an aviation insurance expert in order to handle every one or two airplane risks that he runs into, then the acquisition cost cannot be justified. He should acquire enough knowledge about aviation insurance to help along a young industry, not ride on its coattails. A small working knowledge of the aviation business is almost essential if he is to perform his function as an agent properly. In a few cases the aviation underwriters have found it easier to make an aviation insurance agent out of someone connected with aviation than to teach aviation to an agent.

About 80% of automobile premiums come from private passenger cars and 20% from commercial cars, and this ratio is likely to obtain in aviation. At their peak airlines had less than 500 planes in operation, whereas on Jan. 1, 1942, there were 24,836 certified aircraft in the U. S. This is a ratio of 50 to 1 in favor of the private passenger plane.

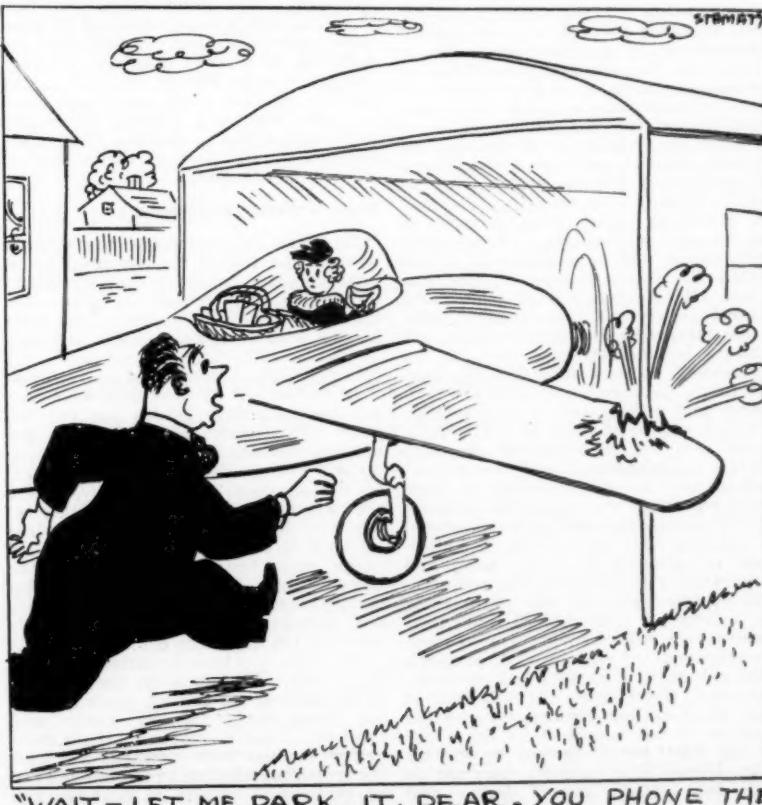
The future of this type of plane has been dealt with extravagantly. There are real problems to be met: Utility to the average owner, for example, so that door to door time will be greatly reduced; safety, particularly in landing and takeoff; weather conditions; initial cost, and development of airstrips and ports in great enough quantity to make the plane readily available. It is now definitely a machine for moderate and long distance transportation. Limitations imposed by weather will mean more rapid development of flying in some sections of the country than in others.

Airport and airstrip developments must go along with any development in aviation. The investment in automobile roads from 1920 to 1941 in more than 1,500,000 miles of surfaced highways was more than \$30 billion. During that time the number of motor vehicles increased from 9,000,000 to 34,000,000 and total travel as indicated by gasoline consumption increased 534%.

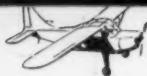
Much of the early development of ports and strips for private flying will be up to the local communities and the states and agents can contribute in this effort. Some are doing so now. Several states now have active aviation bureaus. The states are expected to encourage flying instruction in schools, build flying strips in areas away from cities where needed, publish flying maps and the like, etc. Wisconsin starts aviation instruction in its high schools this fall, with four hours of dual control flying, and Illinois is planning similar courses.

While there are a great many similarities between automobile insurance and aviation insurance, one difference in the two types of machines is the greater cost of the airplane and its greater susceptibility to damage. It must be kept up in apple pie order at all times so that its original and its resale value are always high and consequently will develop more premiums than automobiles either new or in the same second hand classifications.

(CONTINUED ON PAGE 19)



"WAIT - LET ME PARK IT, DEAR. YOU PHONE THE INSURANCE CLAIM AGENT."



Aviation Coverage as Field for Independent Company

By RAY B. DUBOC
President Western Insurance Companies

Aviation insurance is a subject which has received only superficial attention by most of the people who may some day find it to be one of their principal sources of premium income. Interest has been stimulated greatly, however, by the release of the civil aeronautics board's report covering its study of the effect of insurance on the aviation industry. It is unfortunate that the issue of mo-



RAY B. DUBOC

nopoly should have been raised while the insurance states' rights bill is pending in Congress. The criticism of the extent to which foreign insurance interests have dominated the program reflects the prejudice which must be overcome and emphasizes the political implications of the whole controversy. Interstate and international aviation will unquestionably be one of the most important of the post war projects. Congress has the responsibility of protecting the public interests in this vast new industry by which American enterprise expects to girdle the globe. Insurance is an important factor of the cost and some reasonable regulation is to be expected and in fact desired. It is difficult, however, to secure an intelligent consideration of the problems in an atmosphere of political rivalry.

Western Companies Enter Field

There have never been more than 25,000 civilian airplanes in the United States and only a small percentage of these have been insured. The scheduled airlines had 359 planes in pre-war service. The army requisitioned 193 of these and has since returned 34 of them, leaving 200 planes now in operation on the 17 domestic air routes. From an insurance standpoint the catastrophe hazard has been too great and the spread of risk too limited to interest many individual companies. The syndicate or group plan offered the only means of pioneering in this hazardous field. The high values of transport planes in proportion to the aggregate amount of insurance written and the public liability and passenger hazard have presented problems beyond the capacity of any individual company or the domestic reinsurance market. There will be considerable chaos and uncertainty in the readjustment period when American airlines will have to meet nationalized foreign competition.

The three principal groups which have written practically all of the aviation insurance up to the present time will no doubt be able to meet the requirements of the transport lines. The un-

derwriting managers of these groups have already made a substantial contribution to the industry. They have been helpful in promoting safety and in developing a sound program of regulation. However, it is inevitable that the insurance market will expand rapidly in the field of private flying and the miscellaneous branches of commercial aviation. The Employers group and a syndicate of mutual companies are already active. Western Casualty & Surety and Western Fire are now announcing their entrance into the field and are offering their agents facilities for writing complete aircraft coverage including hull, public liability, passenger hazard, property damage, airport liability and accident insurance. Adequate reinsurance arrangements have been made to accommodate all except the scheduled airlines and the very expensive privately owned planes.

The number of prospects that an agent can call upon at the present time is limited but the premiums are substantial and make it a class well worth the producer's attention. There is nothing mysterious or complicated about writing aircraft insurance and any agent can quickly acquire a general working knowledge of it. Many restrictions on private flying are being lifted outside the vital defense areas. Planes now can be rented by any of the 97,000 private pilots certified by the Civil Aeronautics Authority. The war training service program will cease on June 30 and training planes are now being sold to civilian buyers. Several hundred private airports may be reopened as soon as military precaution can be relaxed. Agents will do well to get an early start in writing this new line so as to be leaders when civil aviation expands after the war.

Possibilities Are Tremendous

Opinions differ widely as to the prospects for the early future. Charles I. Stanton, CAA administrator, predicts that there will be 300,000 civil aircraft within three years after the war and 500,000 by the end of the first decade. He estimates that 6,000 airports will be needed within five years. Other responsible authorities expect a more gradual development. It is almost impossible to exaggerate the potential possibilities of air transportation in the post war world. Tens of thousands of pilots who have been trained for war will be eager to fly their own planes or be looking for jobs in some branch of the industry. Manufacturers will be looking for an outlet. Finance companies are planning on extending their credit services to purchasers of airplanes.

Satisfactory light planes will be available at a cost within the reach of men of moderate means. Revolutionary electronic traffic control devices will make landing safer. Radio altimeters for private planes will indicate terrain clearance. Just as the automobile industry furnishes the market to the producers of many raw materials and accessories, so the aviation industry will be the hub of a vast composite array of producers of raw materials, manufacturers and service organizations. As the building of good roads paralleled the expansion of automobile transportation, the development of aviation will require the establishment of airports in every town and community of the nation. The construction of these airports will of itself be an enormous undertaking and their maintenance will provide employment for thousands of managers, dispatchers, meteorologists, mechanics and operating personnel. Every large city will need at least three or four airports because the capacity is not measured by the space on the field, but is limited by the air space above. This capacity may shrink with the introduction of larger and faster planes. New York has one air-

(CONTINUED ON PAGE 29)



Realistic View of Financing

It Is Inseparable from Insurance, Experienced Investment Man Shows

With the release of airplanes that have been used by the army and navy for the war training of student pilots, the civilian market for the financing of such planes has been stimulated considerably, according to Paul Zima, vice-president of the Hamilton Investment Co., Chicago, and manager of the aviation department. Mr. Zima points out that there has been a steady demand by fixed base operators and individuals for financing of private passenger airplane equipment even during the time in the last six months when the planes used for army and navy training technically were owned by the Defense Plant Corporation, though used as theretofore by training contractors.

Must Understand Financing

Mr. Zima believed that if the agent is to retain control of the commissions on financed plane business, then he should thoroughly understand aviation and financing as well as insurance and must be in a position to arrange the financing of planes. The financing service is the primary need of the person who is planning to buy an airplane and who does not have enough cash to pay the full price. The insurance is secondary, and nothing that the insurance business can do will change that fundamental aspect of the situation. Consequently, unless the agent is in a position either to finance the purchase of the plane through facilities of his own or to arrange such financing with a finance company or a bank, then the financing service is going to control the insurance and without question will take a lion's share of the insurance commission.

Mr. Zima has been financing airplanes since 1938. He has spent the majority of his time in the last six years arranging loans both through banks and through a finance company. He is thoroughly familiar with insurance and with the arrangements that have been and can be made with respect to agencies and companies. He has an experienced and realistic view.

There is no reason that the agent cannot establish himself as a source of both financing and insurance. Some of the agencies already have done this. They have set up financing departments, and their experience has been fairly good. Or, they can make arrangements with a bank. If they are interested in aviation, they can develop prospects for both financing and insurance. The agent should spearhead his development program with financing facilities. The insurance will come along naturally and easily.

Mr. Zima recommends the finance company way of doing business because it is more flexible than the way in which banks must function. He has operated both ways. The banks must meet certain fairly rigid operating requirements. One of Mr. Zima's advantages since he entered the finance company field has been his ability to tide some of his accounts over slow periods. He has made strong and fast friends in this way and built a backlog of confidence and loyalty as a sound base for future business. Under a finance company setup he can do this where it is not possible through a commercial bank.

Can't Wait Too Long

There is undoubtedly a time element involved. If agents want to get into the aviation field and play a real part in its future, then it is not at all too early to meet the very real problem of what to do about financing the purchase of planes. There is plenty of money around to be loaned, and the finance companies will offer tough competition to the agents in the aviation field unless the agent gets off to a good head start. It is not a question of how the matter should be handled, it is a question of how it is being handled and will be handled. The agent cannot wish away the fact that the prospective airplane purchaser wants the plane and is going to scout around for money to buy it. He doesn't now and he won't care in the fu-

(CONTINUED ON PAGE 18)



Future for Airline Insurance

LINE IS NOT A CLOSED BOOK FOR BROKERS, BUYER STATES

By FRAZIER S. WILSON
Manager Insurance Department
United Air Lines

One of the most interesting rate trends in the insurance business is portrayed in the airline insurance field for the years 1937-1942. In those five years revenue passenger miles increased from 4,745,999,717 to 16,119,755,528. In the same period average costs for flying liability and compensation insurance as disclosed by the recent civil aeronautics board report, were reduced from 2.2883 cents per revenue passenger mile to 0.9877 per revenue passenger mile.



F. S. Wilson

It is also interesting to note that life insurance ratings for commercial pilots have been reduced from \$50 per thousand in 1934 to a net rating in 1944 of \$5. This rating, it is expected, will be further reduced within the next five years to \$2.50 per \$1,000, which is the same rating now applicable to locomotive engineers. It is reasonable to believe that rates will be reduced by an even more favorable loss experience that will result from the increased safety factor in four motored ships, such as the DC-4, from the adaptation of radar to commercial aviation and from other new developments such as heat deicing which will permit safe flying in any weather.

Insuring DC-4 Type of Plane

New and interesting underwriting procedures undoubtedly will grow out of the use of the DC-4 type of plane, the four motored 44- to 50-passenger, 250 mile per hour plane. Such planes will of course bring about a greater concentration of risk requiring higher maximum limits on passenger liability. Hull values also will be increased and necessarily the concentration of risk will go up to two or three times that of the present DC-3 type of plane.

The interest of brokers and agents cannot help but be stimulated by the possibilities in the aviation field. Unfortunately the commercial air line business must necessarily be limited to a few brokers specializing in the airline industry. This, of course, is not much different from the situation which presently obtains regarding railroads and shipping lines.

Predicted air cargo developments will be of particular interest to those marine underwriters endeavoring to adapt general average and salvage principles to the air cargo field. It is illogical to believe that the present marine contracts, romantic and legally acceptable as their verbiage may be, will ever be welcomed by an industry that has progressed through aggressive independent thinking unhampered by legal or operational traditions.

Open to Ideas

The industry undoubtedly will continue to be solicited by brokers and agents who have a general knowledge of the insurance business. It is unlikely, however, that a broker or agent of general lines will successfully enter the field unless he is able to present some advanced underwriting scheme. Otherwise, it is only natural that the plane manufacturers and commercial transport companies will continue to deal with those brokers who have been of particular assistance to them. The broker who is able to present a plan tailored to satisfy the underwriter's desire to protect his company's assets, return a fair profit on the risk, and yet enable the insured to obtain cov-

erage without trading dollar plus an excessive profit, will win the business.

Insurance carriers in the early years of commercial aviation were faced with the problem of underwriting an unknown hazard without benefit of loss, safety, or rating experience. The profit eventually made by the pioneering groups is certainly not an excessive one and in my opinion they might have been severely criticised if they had not played the safe end of the premium scale. The air industry is genuinely appreciative of the security offered through the early troublesome days. However air line experience of the past five years proves that the industry has arrived, through its own serious efforts, at a point where it is entitled to insure under a plan more equitable to its proved experience. If the broker, ambitious to break into the air field, can crystallize such a plan, sell the insurer on its merits, and then approach the industry, he will obtain his portion of an ever expanding premium volume.

FUTURE POSSIBILITIES

What the insurers can expect in the way of property values and functioning of aviation as a transportation system is reflected in some of the studies which the aviation industry has been making. As W. A. Patterson, president of United Air Lines, points out, his company has for two years had a full time staff en-

In the accompanying article Mr. Wilson makes some suggestive comments on insurance from the viewpoint of the insurance buyer of the nation's largest individual airline operator. In addition, he summarizes some of the future possibilities of airline insurance growth as those possibilities have been projected from a base of past experience by W. A. Patterson, president of the United Air Lines, and other executives and personnel of the company.

Gaged in studies of every phase of the past, present and future air transportation picture. All of the departments of the company, particularly the research and development group of the engineering department, have participated. From these studies, the company has made certain conclusions and formed certain opinions regarding future developments in the aviation field, specifically the field of airline transportation of passengers and cargo.

General Conclusions

Among the general conclusions are the following:

A five times growth of U. S. domestic air transportation over its best pre-

war year of 1941, within four years after the war. In 1941, the United States air lines operated approximately 350 planes which flew in that year more than 1,384,000,000 revenue passenger miles, 13,130,000 mail ton-miles and 5,262,000 express-freight ton-miles.

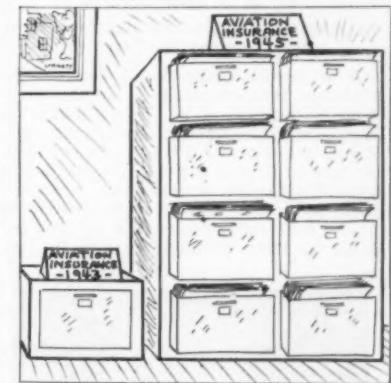
Estimates based on statistical data indicate a possible 30 times growth of domestic air transportation within about 20 years. This would mean that airlines would by 1964 be carrying 80% of all passenger business now carried in first-class Pullman service, 40% of all express now moved by rail, all first-class mail traveling more than 400 miles, one-third of railway coach and inter-city bus travel, 80% of parcel post, 20% of rail less-than-carload freight and 5% of motor truck less than carload freight. This would entail use of approximately 5,250 airplanes of the type expected to be available immediately after the war. This forecast is merely a statistical projection and does not take into account numerous intangibles which might change the picture. For instance, surface transportation also will be making considerable progress in the same period with improved operating efficiency and economies accompanied by lower cost to the public. Accordingly, this forecast must be listed as "possible," not "probable."

Local Air Service

An extremely large development of local air services feeding into main trunk line air routes. At present domestic airlines give direct service to approximately 300 cities in 48 states and the District of Columbia while operating over 49,000 miles of airways. The development of local air services such as already are being sought in airline applications to the civil aeronautics board will multiply such figures many times.

There will be a variety of air transport service for various needs and demands. Included will be high speed, long range trans-continental passenger flights with only one or two stops from coast to coast, slower local flights for passengers and cargo which will serve cities in between major air terminals on trunk lines and cities adjacent or tributary to the main trunk lines, and all-cargo flights of both high speed express and local types.

Reductions in air passenger and cargo costs to the public. Air passenger fares have been reduced from about 10 cents to 5 cents a mile in 10 years so that today they are roughly equivalent to rail plus Pullman. They must go considerably lower if air transportation is to penetrate the coach and bus travel market. Air express rates recently were reduced by approximately 12%. They, too, must be lowered much further if they are to attract a great number of



commodities which thus far have not been shipped by air because of cost.

Technological advances will make new economies possible. There will be new radio aids and improved fuels as a result of the war which will contribute to operating efficiency and economies; such things as design of specific types of planes to do specific kinds of jobs; improvements in the power plants, improvements in terminal and aircraft loading and unloading facilities, and improved airports.

There will be a far greater passenger-cargo market, even at present cost, than ever existed prior to the war. The war has advanced public acceptance of the airplane by at least 20 years. Thousands of new air passengers and air shippers have been added during the war to the 4,000,000 passengers carried by domestic airlines in 1941. Meanwhile some 2,000,000 men have been obtaining a first hand acquaintance with the airplane while serving in the armed forces. The majority of them certainly can be expected to swell the air traffic volume in post war days.

The development of various types of planes for various purposes will help. United Air Lines engineers after exhaustive study of the entire subject described four possible type of planes for airline use within perhaps five years after the war: A four engined, 62½-ton, 100 passenger transport with a cruising speed of 250 miles an hour and a range of 3,000 to 3,500 miles primarily for over ocean passenger operations but capable of carrying reasonably large amounts of cargo; a four engined, 35-ton moderate range passenger plane for domestic deluxe sleeper service; a four engined, 25 or 30 ton coach or club carrier for passengers and cargo, and a 16 ton twin engined plane for use as a variable load carrier, either of passengers or freight or both.

There will be an extensive airport development program for major cities, smaller cities, villages and hamlets throughout the country.

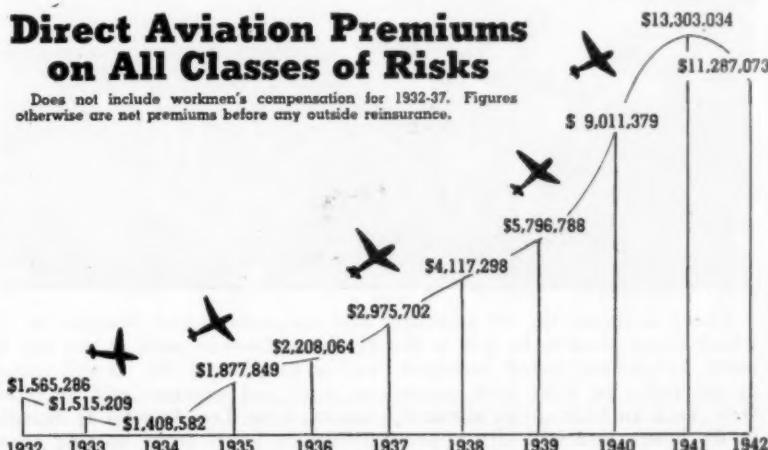
United Air Lines expects not only to continue employment of the 7,500 men and women now on its payroll and to have jobs waiting for its more than 1,000 employees now in the armed services, but to employ another 10,000 persons within four years after the war. United's payroll is approximately 25% of the domestic airline industry's. United Air Lines will spend between \$18 million and \$20 million for development purposes immediately after the war.

There will be, in addition to the domestic airline growth, a great expansion of international flying, accompanied by intense competition between the United States and foreign countries.

It is apparent that the prospects for post war transportation are exceedingly bright. It is equally apparent that these prospects promise a new and great insurance market requiring the services of brokers and agents as alert and progressive as the industry itself.

Direct Aviation Premiums on All Classes of Risks

Does not include workmen's compensation for 1932-37. Figures otherwise are net premiums before any outside reinsurance.





Sees Bright Future for Foreign Accident Coverage

By R. J. GLASGOW

Superintendent Aviation Accident Division, Continental Casualty

The recent entrance of Continental Casualty into the field of foreign accident insurance is an event which is highly significant from two standpoints. First, the decision of American underwriters to invade a field hitherto dominated by foreign underwriters is a concrete refutation of the charge, frequently made, that American companies are insular in their thinking. It implies, at



R. J. GLASGOW

least, recognition by American insurers of their obligation to protect American business and the American public wherever they may go. Whether this initial step will be or can be followed by others in the same direction is uncertain at present. The extension of other lines into foreign fields involves problems which do not exist where accident insurance is concerned, and many of these problems will have to await the end of the war for their solution. But whatever the final answer, indication has been given of the increasingly broad outlook of American insurance.

Most Transoceanic Travel by Air

Second, and more important for the immediate future, the fact that foreign accident insurance today is intimately tied up with the aviation hazard highlights the growing importance of the airplane as a means of world transportation, and offers an encouraging view of the future as respects accident insurance. Most transoceanic travel today is by air, and American business executives, technicians, supervisors, entertainers and others are journeying to the far corners of the earth quite as casually as yesterday they went from New York to Chicago. No one doubts that after the war there will be a vast increase in the use of private planes, and an equally great upswing in ordinary domestic travel by airliner. In this writer's opinion there will be a corresponding increase in foreign travel by air. The twin factors of speed and low cost will be largely responsible for this. When London, Paris, Honolulu and Rio de Janeiro are only a matter of hours, or at most a day or two, from our own cities—and when such places can be visited at not much, if any, more than the cost of an ordinary vacation trip today, who can doubt that thousands of Americans will take advantage of the opportunity?

The combination of these two elements—the increase in foreign air travel and the growing willingness of American underwriting to go beyond their own borders—offers a bright prospect to the accident underwriter. Today the field of foreign accident insurance is greatly affected by its position as an

important adjunct to the war effort. Nearly all foreign travel in these times is directly connected with the prosecution of the war, and the accident underwriter must be prepared, not only to cover the war hazard in general, but to protect his assureds even under combat conditions. He must also be prepared to evaluate a risk upon the most meager information; sometimes this is because full details cannot be revealed for security reasons, and sometimes it is because the assured simply does not know where he is going, how he will travel, or how long he will stay. For the same reason, the underwriter must be willing to issue extremely broad, flexible contracts drawn to cover in almost any conceivable circumstance and against a variety of occupational exposures. An example of the widely varying exposures which may be encountered is offered by the newspaper correspondent, who may be in an office in London today, on the front in Italy tomorrow, and aboard a carrier in the Pacific next month.

Because, in war time, no two of these risks are apt to be alike, the underwriter

cannot hope to get a spread by classes, but must underwrite against the average provided by his business as a whole. He must be willing to face, without flinching, exposures which in normal times might be considered uninsurable; again he relies on his over-all average for protection. He must truly have a broad and philosophical outlook, and he had better not be of a nervous character or he will be forced to give up reading newspapers.

War Lessons in Peace

When peace returns, much of this abnormality will disappear. Rates and coverages will permit a greater standardization, and the business as a whole will tend to become more orthodox. But the training which the war-time underwriter has received will not be wasted. He will have the world-wide viewpoint necessary for the successful exploitation of the field before him, and he will be used to the issuing of broad, flexible, comprehensive contracts having few restrictions and exceptions. In this respect, this great new field for accident insurance gives promise of being in the forefront of the movement, characteristic of most lines of insurance today, toward simplicity and comprehensiveness. If this result is achieved it will be largely due to the lessons learned by the underwriter in these troubled days.

Aviation Rate Reductions Are Now Being Planned

NEW YORK—Reflecting the steady improvement in the experience on nearly all classes of aviation risks, further rate decreases are in the making and are due to be announced shortly.

The chief exception to the improved experience is on manufacturers, but these risks are individually rated and do not appear in the schedules. Scheduled air lines have not shown up too well in recent months, either.

However, other types of aviation risks—planes owned by corporations to transport key men, airport and flying school operators, private planes, etc., are showing an improved loss record.

An important development is the greatly increased use of planes by big corporations to get their executives and important technical men from one plant to another. Most of these corporations are doing work essential to the war effort but others are also making use of planes. It is nowhere near so difficult to obtain and operate a plane as most people would assume it to be in wartime.

Most of these corporations are making enough money so that they are in

(CONTINUED ON PAGE 18)

Engineering Department Proves Value in Insuring Aircraft Risks, Aero Finds

NEW YORK—The question is sometimes raised by companies contemplating entering the aviation insurance field on an independent basis as to the necessity of setting up a safety engineering department to inspect prospective risks and those that are already on the books. The best answer seems to be that Aero Insurance Underwriters, which has the most elaborate engineering service of any of the groups, considers this activity to be highly essential to its work.

In the field of airline operations, where Aero does not operate, the need for engineering service is taken care of by the airlines themselves and the federal government's regulatory authorities. However, government requirements as respect other types of aviation, though good, do not go anywhere near as far as Aero feels is essential to the safe underwriting of risks.

Whether the risk is a manufacturer, a big corporation that owns planes to fly

its key personnel, an airport operator, a commercial flying school or the individual owner-pilot, the need for inspection service not only aids in determining what applicants shall be accepted but in seeing that equipment and personnel are of a type to keep the risk acceptable.

In the manufacturing field a prototype model may be insured for as much as \$1.5 million and it is clearly to the insurer's interest to have the top quality of inspection service and engineering advice before agreeing to insure the test flights. In the field of private flying, inspection and engineering are becoming of increased importance because of the government's gradual withdrawal of the strict regulations aimed at preventing the pilot from killing or injuring himself and its tightening up on regulations where safety of the public is at stake. The tendency is for the government to take much the same attitude that it does toward a canoeist: he can sail it to Eu-

rope if he likes, for all the government cares about his personal safety.

As with boiler and machinery insurance, where inspection is considered vital by insurers despite state regulations and inspections, Aero has found that quality of maintenance and operation can vary greatly from risk to risk. These factors are much more important than what company made the plane in the first place.

Another important angle in connection with inspection is that federal aviation authorities have control only over flying. They have nothing to say about the way that ground facilities are maintained, though indirectly they have control over about 250 airports by specifying that commercial airliners may not use airports that do not come up to certain specifications. However, these fields are only a small percentage of the 4,000 or so airports in the United States.

How Inspection Helps

Here is just one example of how the inspection of an airport might prevent an insurance loss under an airport liability policy, a crash loss, a property damage and public liability loss and perhaps a claim under an aviation personal accident policy: A pilot taxis his plane up to the airport's gasoline pump and takes on a load of fuel. He assumes that the airport operator has checked to make sure there is no water in the gasoline. However, there is no federal regulation requiring such inspection and water from the gas pump gets into the plane's fuel system and causes the motor to go dead just after the plane has taken off. In such circumstances a bad crash is almost inevitable and the pilot would be lucky to get out alive.

The fact that safety work is in no danger of being overdone is shown by the accident record. Though it is currently somewhat better than in the past it has for several years been normal to expect one-third of all planes except those on the commercial airlines to be involved in accidents during the year and about 90% of these crack-ups require a major overhaul or replacement of a major assembly.

Aero's engineering work is in charge of Jerome Lederer, assistant manager. He has had long experience in aviation safety work, having joined Aero in 1929 after serving it for some years as a consulting engineer. In 1940 he became director of the safety bureau of Civil Aeronautics Authority and in 1942 became executive assistant to the president of the Airlines War Training Institute. On completion of the institute's projects he returned to Aero last November.



Above is shown the 50 passenger and cargo 4-engined Douglas DC-4, which is expected to be put in use by the airlines as soon as the war is over. It has been tested during the war as a military C-54. It will cruise at 220 miles an hour with passengers, mail and express; will fly from New York to Chicago in about 3½ hours, from Los Angeles to Seattle in six hours, and will clip approximately six hours from existing coast to coast schedules.



A FIELD AS LIMITLESS AS THE SKY...

New!

Indemnity's Foreign Travel and Aviation Accident Insurance

News flash! Indemnity Insurance Company of North America is now writing Aviation Accident insurance and Foreign Travel Accident insurance!

Aviation Accident insurance on passengers, pilots, instructors and students flying in all types of planes, including privately-owned or company planes and on commercial air lines in the United States and Canada and on the Pan-American Airway System to South America.

Foreign Travel Accident insurance, including war risk, on all travel abroad, regardless of the method of transportation. Coverage can be given even for such hazards as traveling by submarine, bomber, tanker, or flying over enemy territory.

Indemnity is prepared to accept larger amounts than have been available hitherto—thus, making it possible for Agents and Brokers to place these types of coverage, so much in demand today, in an American company with unexcelled facilities and unequalled capacity.

Agents should welcome this forward step. It puts them in a position to anticipate post-war demand and to supply present-day needs of the public. Your nearest North America Service Office will supply you with forms, rates and complete underwriting information. Join now in pioneering this new field for Insurance—a field as limitless as the sky itself!



INSURANCE COMPANY OF
NORTH AMERICA
COMPANIES

INSURANCE COMPANY OF NORTH AMERICA
THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA
CENTRAL INSURANCE COMPANY OF BALTIMORE

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PROTECT WHAT YOU HAVE • BUY WAR BONDS AND STAMPS

1943 Stock Fire Auto Loss Ratio Improves; Premiums Off Only 8%

The run-off liability on financed automobiles, which caused the stock fire companies in 1942 to lose \$132,283,584 in premiums, accounted for some of the \$11,606,832 decrease registered in 1943. However, the drop to a total of \$133,120,185 in 1943 is only 8% of the \$144,727,017 written in 1942. The settling down process showed itself most strikingly in the loss ratio, which was 77.0 in 1942 and 47.7 for 1943. This compares with 50.6 in 1941 and 43.8 in 1940. The high ratio of 1942 was due to the rapidity with which premiums went off the books compared with liability. There was a decrease in collision rates at the end of 1942, and age drops account for some premium decline. Unless cars start going off the road in numbers in 1944, there is likely to be a further stabiliza-

tion of the fire premiums this year. The 1943 total is the lowest since 1935, when premiums were just over \$100 million.

The feature of the leaders' table is the climb of Travelers Fire from fourth to first place. The company increased

TEN STOCK FIRE AUTO LEADERS

	Premis. 1943	Premis. 1942	% Change	Premis. 1941	Premis. 1940	Premis. 1939
1. Travelers Fire ...	\$ 6,173,515	\$ 4,895,162	+26.1	\$ 5,115,160	\$ 4,136,753	\$ 3,405,989
2. Hartford Fire ...	5,535,868	5,971,590	-7.3	8,741,210	7,760,204	6,816,938
3. General Exch. ...	5,453,169	8,459,794	-35.5	39,620,518	25,283,257	26,540,914
4. Amer. Auto Fire ...	5,104,233	4,706,090	+8.5	4,863,192	4,059,882	3,329,168
5. Automobile ...	4,113,912	4,125,621	-0.3	4,661,686	3,925,315	3,317,622
6. Firemen's, N. J. ...	3,757,957	3,704,913	+1.4	3,892,864	3,055,461	2,364,705
7. Home, N. Y. ...	3,719,225	5,905,721	-37.5	26,081,500	25,094,142	21,696,083
8. Nat'l. Hartford ...	3,069,677	3,241,156	-5.3	4,847,415	4,117,727	3,906,969
9. Fid. & Guar. Fire ...	2,610,671	2,509,800	+4.0	2,705,839	2,147,986	1,799,792
10. Ins. Co. N. Amer. ...	2,519,881	2,486,697	+6.2	3,891,448	3,287,697	2,665,897

Stock Fire Auto Premiums and Losses in 1943

1943				1942				1943				1942				
Net Premis.	Paid Losses	Loss Ratio	Inc. or Dec. in Premis.	Net Premis.	Paid Losses	Loss Ratio	Inc. or Dec. in Premis.	Net Premis.	Paid Losses	Loss Ratio	Inc. or Dec. in Premis.	Net Premis.	Paid Losses	Loss Ratio	Inc. or Dec. in Premis.	
Aetna Fire ...	\$ 2,356,581	1,271,579	54.0	—137,427	\$ 2,494,008	2,890,929	115.5	—4,546,798	Am. Sec., Ga. ...	\$ 83,285	40,132	48.1	—13,481	\$ 96,766	132,877	137.5
Agricultural ...	880,124	580,126	65.9	—252,839	1,232,963	948,399	76.5	—740,667	Anchor, R. I. ...	145,048	77,829	53.6	—7,070	152,118	69,842	45.6
Albany ...	86,145	43,041	50.0	—4,983	91,128	48,010	53.0	—14,489	Appala., R. I. ...	3,063	967	31.2	—1,323	4,116	524	12.0
Allemannia ...	139,506	76,098	53.9	—15,075	154,581	103,966	67.0	—94,773	Assoc. F. & M. ...	91,072	18,429	20.2	9,452	81,620	23,220	28.5
Alliance, Eng. ...	274,092	122,941	44.7	—60,126	335,118	183,198	54.0	—138,928	Atlas, Eng. ...	452,319	226,966	50.1	—26,140	478,459	252,054	53.0
Alliance, Pa. ...	283,486	116,425	41.0	—18,767	302,253	163,315	53.5	—135,534	Balti. Amer. ...	4,113,912	1,246,548	30.2	—11,709	4,125,621	1,471,300	35.0
Allied, N. Y. ...	118,468	13,558	11.8	17,305	101,163	17,534	17.2	—6,611	Birm'am, Ala. ...	306,193	105,926	34.5	191,079	115,114	235,922	204.5
Allstate F. Ill. ...	2,133,752	643,678	30.1	427,336	1,706,416	598,584	35.0	—19,519	Birm'am, Pa. ...	129	—85	—	—	5	504	—
Am. Allianc. ...	166,010	62,621	37.7	—2,117	168,127	77,503	46.0	—29,196	Bitu. F. & M. ...	22,142	6,075	27.5	21,351	791	—	—
Am. & For. ...	102,008	40,529	39.7	—7,347	109,355	48,207	44.0	—2,552	Boston ...	495,805	184,419	37.1	—80,025	575,830	275,584	48.0
Am. Au. Fire ...	5,104,233	1,628,689	31.9	398,143	4,706,090	1,614,753	33.5	—157,102	Brit. A., Ont. ...	15,856	9,344	58.8	—4,688	20,544	19,537	94.0
Amer. Central ...	307,502	135,705	44.1	—46,282	353,784	230,316	65.5	—154,028	Brit. & For. ...	85,006	33,774	39.5	—6,122	91,128	34,095	34.0
Amer. Eagle ...	481,290	290,518	60.2	—51,772	533,062	415,491	78.0	—441,168	British Gen. ...	40,340	20,563	51.0	—20,771	61,111	39,788	65.0
Amer. Equit. ...	335,960	141,050	42.0	—34,436	370,396	228,205	60.0	—165,945	Buckeye U. F. ...	144,999	63,932	44.0	—9,388	151,387	75,368	45.5
Amer. Fire, Tex. ...	90,357	46,702	51.6	—7,668	98,025	71,551	72.5	—55,361	Buffalo, N. Y. ...	359,659	170,736	47.5	—33,016	392,675	229,307	55.5
Amer. Home ...	76,600	35,996	46.9	—16,808	93,468	77,236	83.0	—89,263	Caled.-Amer. ...	119,108	65,106	54.6	—31,723	150,831	110,933	73.5
Amer. N. J. ...	1,417,494	1,036,981	73.1	—685,672	2,103,166	1,030,073	48.5	—186,725	Norwich Un. ...	297,5	—1,511	0.0	—2,16	329,865	147,276	44.8
Amer. Mot. F. ...	169,005	54,220	32.0	—17,129	151,876	36,420	24.0	—73,396								
Amer. Reserve ...	31,237	9,684	30.3	—38,711	—7,384	50,252	—	—186,725								
Am. States F. ...	176	27,086	...	—107,872	108,048	66	—									

(CONTINUED ON THIRD COVER)

Aviation Rate Reductions Being Planned

(CONTINUED FROM PAGE 16)

the excess profits tax brackets and hence on a net basis may be paying for the cost of operating the plane in 10-cent dollars. In most cases the use of a plane is a worth-while expenditure, for it saves time of key personnel and bypasses the ordinary travel bottlenecks.

These risks show a good insurance experience. The equipment and operating personnel are excellent. Furthermore these planes are flying high-priced executives and irreplaceable technical experts. Hence they stay on the ground unless conditions are right.

It might be assumed that it would be difficult to get competent pilots for these planes or any not an integral part of the war effort. Yet an increasing number of returned military fliers are available. Those who may have been discharged for "battle nerves" or other neuropsychiatric reasons are not viewed with favor but a pilot who has lost a leg or is otherwise physically incapacitated for active military duty may be just as good as the best for civilian flying.

Airport Operators Do Well

Airport operators are doing well as insurance risks. Now that the war training service has been cut out, many of these operators are going to find it tough to get along in business. Some will do better than when they had WTS as a backlog but others will go broke. That the opportunity is there for the operator who can combine good business judgment with sound flying and maintenance practices is evident from the fact that there are currently some 236,000 licensed private pilots, as against about 200,000 before the war.

Some own their own planes and the rest hire ships from the airport operat-

ors. The proportion of owner-pilots to non-owner-pilots is probably about the same as it was before the war. Thus, there is not only an increased market for what the airport operator has to sell and hire but there are fewer air-field operators because so many have gone into the service and hence there is that much more business for those that are left.

There are bound to be some that will go under, particularly those that let the WTS program go to their heads. Some of these men went out and bought expensive homes and cars on the basis of a scale of income that stopped sooner than was anticipated. These operators are likely to have no financial resources and to be unable to raise any capital. These business failures are somewhat unfortunate from an insurance standpoint, for the best and safest operators are sometimes the poorest business men, and vice-versa.

It is believed likely that good business men will come more and more to the fore in the airport business and will hire good technical men to handle maintenance, operations, and instruction. After the war there will be a more than ample supply of technically trained men in all branches of aviation but the business manager who can make a financial success of a venture will still be a comparative rarity and is likely to be found in the driver's seat.

Wartime pressure, "trying to make too much too fast" with inexperienced help, as one underwriter put it, seems to be the reason why manufacturing risks have not shown the record that most other classes have made in losses. Considering the thousands of parts that go into a single aircraft and that only experience in the air can tell how far it

is possible to go in relying on less than the top grade of help, it is probably remarkable that the accident record hasn't been far worse than it has been.

Realistic View Taken of the Financing of Aircraft

(CONTINUED FROM PAGE 14)

ture where the insurance goes. If the finance company can arrange insurance or wants the insurance, all well and good, it can have it so far as the plane purchaser is concerned. If the agent is the man he knows and can arrange the financing, then he is the one to whom the prospective airplane buyer will go.

Approximately 75% of all the light passenger planes, excluding of course those operated by manufacturing and business concerns for their own executives and personnel, will be financed, Mr. Zima predicts. Thus, at the outset, it can be seen that unless the agent can meet the challenge of the concern that can provide the airplane purchase money, then he is entering the race with a heavy handicap.

In his early days in the aviation finance business, Mr. Zima made an arrangement with an insurance man who was interested in the field, whereunder Mr. Zima passed along all of the insurance business and the insurance man gave Mr. Zima any finance business which he ran across.

On the other hand, an insurance agency through which Mr. Zima placed his insurance business eventually became so familiar with financing that it formed its own finance company for airplanes. These experiences indicate that the insurance and financing go together. It is extremely difficult to keep them apart. However, aside from the fact that financing is the primary purpose of the prospective buyer, there does not

its writings 26.1% to a total of \$6,173,515. General Exchange, the General Motors carrier, lost ground, from first to third place, with a 35.5% decline in premiums. Its 1941 total was \$39,620,518, 1942 \$8,459,794, and 1943 \$5,104,233. Hartford Fire retained its hold on second place with a total \$5,535,869, but Home of New York, whose writings decreased from \$5,950,721 to \$3,719,225, was in seventh compared with third place. American Auto Fire moved from fifth to fourth with an 8.5% increase; Automobile moved up from sixth to fifth, though it lost .3%. Firemen's of Newark moved up one, from seventh to sixth. National Fire retained its hold on eighth place, while Fidelity & Guaranty Fire, with a 4% gain, was trading North America out of its No. 9 spot.

seem to be any real reason why the financing should not go with the insurance rather than the other way around. The chief reason why it is likely to do so is that the agent has and will have only insurance service to offer, and that is not enough.

About 50% of Mr. Zima's aviation financing in the past year has been for fixed base operators, the other half for individuals. He believes that Regulation W governing the percentage of down-payment and length of credit period will be continued by the government for some years after the war, in order to avoid the kind of inflation which followed the first world war in 1919 and 1920. This means that those purchasing planes will necessarily be of a responsible type. However, because of initial outlay and operating costs the plane buyer generally falls into that classification anyway. Insurance premiums usually are included in the financing, which means immediate payment to the agent, Mr. Zima points out.

Use Theft Increase Data as Sales Spearhead

There was a substantial increase in automobile thefts last year according to figures compiled by the Federal Bureau of Investigation. There are several graphs and charts featuring these figures in this issue.

Under the circumstances this increase in thefts can be used as a spearhead in the effort of getting new risks on the books, especially those cars formerly protected when they were being financed but on which the insurance has run out after the car had been paid for.

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Aviation Is Business of Future: Potentials Eyed

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The idea that the airplane will not supersede other forms of transportation is widely held. One observer points out that just before the war 84% of the automobile travel consisted of journeys of less than 20 miles length and over 90% consisted of journeys of less than 30 miles. Of the total automobile passenger travel in a typical pre-war year only .2 of 1% constituted trips from 250 to 500 miles and less than .2 of 1% constituted trips of over 500 miles. Here already is an area in which the airplane can at once take over without eliminating the automobile. Other uses mentioned include utility and oil pipe line patrol, crop dusting and forestry service.

Fly-it-yourself business is expected to be far more common than drive-it-yourself automobile riding has been.

One need is simpler flying regulations, and the Civil Aeronautics Board now is revising rules and regulations for this purpose, particularly those dealing with the private flyer. There is a proposed new designation for aircraft owned and operated for pleasure purposes. It is proposed to relieve the owner of this type of aircraft of the necessity of compliance with many specific regulations which must continue to apply to commercial operations. It is now proposed to permit the private pilot to deal with a supervising mechanic in his own neighborhood on maintenance and repair of his airplane.

AIR CARGO

The real infant of the aviation business is air cargo, yet there is more demand for shipping by air than there are facilities to handle it. It is written on marine forms and placed in individual companies writing that class of insurance. This has seemed logical because most air cargo is carried part of the way by surface transportation. However some of those specializing in aviation insurance believe there should be enough air cargo insurance beginning almost immediately after the war to justify its own special underwriting form and handling. U. S. Aviation Underwriters some time ago announced a general average and salvage coverage, foreseeing the time when there would be a demand for this type of protection. Incidentally there is still to be settled the question of whether in case of a dispute, the admiralty law would govern, or new law would be needed.

At present air cargo can be carried economically where the cargo is worth \$1.50 per pound, and as time goes on this breaking point will be lower. Though it may be several years before airlines can offer rates as low as 15 cents per ton mile, costs of air cargo should materially decrease as methods of handling it improve and the demand increases for fast shipment of such items as tree or bush ripened fruits, flowers, newspapers, jewelry, pharmaceuticals, certain types of clothing, tobacco products, liquors, perfumes, certain machine parts and scientific instruments. There should be a considerable increase in payload when all first-class mail goes airmail.

Some of the airlines are conducting experiments with air cargo to find out what happens to certain items at high altitudes; to determine whether an egg will explode at 40,000 feet, how much a cabin has to be heated to prevent freezing of commodities, etc.

Aviation accident insurance is one of the liveliest lines in the field and provides one of the easiest ways for an agent to get into the other coverages in the private passenger plane market. Surprisingly, it has produced a respectable volume of premiums and experience has been consistently satisfactory from the start. In the early 1920s when there was practically no market for the hull and liability risks, the companies

continued to take aviation accident business and to make money on it. The figures of the Board of Aviation Underwriters show that in 1938 total premiums were \$369,010 and loss ratio 40.2; 1939, \$564,939 and 14.5; 1940, \$1,114,109 and 33.2; 1941, \$1,144,357 and 32.6, and in 1942 \$1,212,619 and 17.3. The five-year total was \$4,405,034 with a loss ratio of 26.8.

There is general agreement on the need for adjusters especially trained in aviation. The Fire Companies Adjustment Bureau has prepared a booklet and basing the premium on his skill a manual for the adjuster. Most of the plane. It is estimated that 90%

of hull losses are due to pilot failure and not to plane failure or mechanical breakdown. Army figures bear this out. The most critical safety period for the pilot seems to be between the time the pilot has 50 hours and 100 hours in the air. At 50 hours he is an experienced pilot, but he has not had enough close shaves to give him judgment.

Aviation and its insurance have received plenty of attention in Washington. The latest item is the Civil Aeronautics Board report. This is regarded as very much a replica of the Air Transport Association study of last year, although it is more conciliatory. The

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Effect of War on Truck Insurance

(CONTINUED FROM PAGE 4)

ner & Glidden, Chicago, which adjusts many truck losses. The White Motor Co. is employing women mechanics, he said. The parts situation is very bad. While the number of long-haul truck claims may be relatively small, when such a loss occurs it is now quite large, perhaps 100% greater than in normal times.

Reasons for the present losses, it was reported by Elmer C. Gnadt, staff adjuster of Wagner & Glidden, are that truck tires now very largely are worn smooth and do not hold the road well, even in dry weather. Front ends are well worn, steering connections loose. There is improper maintenance due to the lack of parts and mechanics, and constant use of equipment. Motors are filthy, he said, creating a greater fire hazard. Ignition wires are found brittle and oil-soaked in many instances and air filters not cleaned, so they represent a serious fire hazard. A flash fire in the oil-soaked steel-wool used for the filtering action, followed by a backfire through the carburetor has caused many fires under hoods and some total losses.

Hazard of Alcohol in Radiator

Another very frequent source of hood fires has been the alcohol that truck operators are forced to use in radiators in winter because the "prestone" type of anti-freeze is less easily obtainable. It has been found in cold weather many drivers loosen the fan-belts so the motor will run a little warmer. This may cause the radiator solution to steam or boil, and the highly explosive alcohol fumes that are driven off can be ignited by a spark or cigarette.

Equipment is jeopardized through use of alcohol in the radiator by the hazard of a "vapor pocket" being formed. This phenomenon, with which drivers are familiar, if it occurs in a radiator system which does not include a surge tank,

may result in cracking the motor head. It may occur when the motor is accelerated, especially after it has been idling.

Another frequent cause of loss, Mr. Gnadt finds, is that everybody in a truck fleet now drives any or all of the equipment. In peace times a driver would be given a tractor which he drove exclusively. He became used to its traits and faults; he took a pride in keeping it in good operating condition. Now the same man may turn a truck over to another driver at a junction point without mentioning that the brakes are not holding well, and the other driver may return the favor in some other way in connection with the tractor and trailer that he relinquishes.

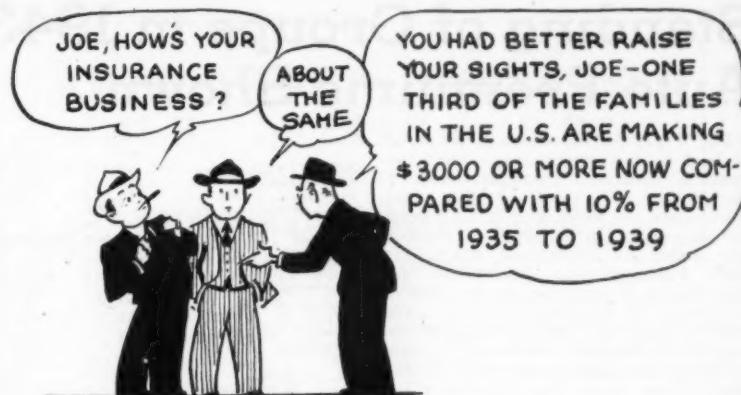
Brakes Should Be Watched

Faulty brakes of course are an ever-present cause of losses. In the heavy equipment, particularly, such as the 10-ton, brakes must be in prime operating order, whether they be of the mechanical, vacuum or air type. Faulty maintenance shows up more quickly on brakes, perhaps, than any place else. On short haul and local risks it has been found that drivers frequently fail to couple the brake hose to the trailer, and depend entirely on the tractor for braking effect. The result is one of those "jack-knifing" accidents that are frequently seen on the highway.

Use of "Barges" Noted

But few pleasure cars now are found involved with trucks in accidents. The highways are much less populated, it is true, but undoubtedly the marked reduction of operating speeds, both of trucks and passenger cars, has had large effect.

Another effect of war on trucks of all types is that now very few of them are said to carry chains. Due to metal shortage and priorities, the cross-links are almost unobtainable. This condi-



tion, taken with the smooth tires, leaves a serious accident hazard, especially in bad weather.

On short-haul risks there has been observed another tendency which is at least disquieting, if it has not caused accidents, according to Mr. Gnadt. That is the use of "barges" by truck contractors who cannot buy trailers. These barges are old, used van-type trailers that are virtually worn out and have had the tops cut off, leaving side walls about 18 inches high. As a rule they have terribly worn tires. The only redeeming feature is that the operators realize this equipment could not be operated over any substantial distance. Therefore the practice has sprung up around Chicago, and probably elsewhere in the country, of loading these barges, rolling them by tractor to electric or steam line and running them onto flat cars. They are carried thus to the city of destination, where a tractor hooks on and pulls them to the unloading dock.

Employing of Butane Criticised

Superintendent MacDonald of Zurich points out a very serious hazard that has sprung up with gasoline rationing—the use of unrationed butane gas. This is the gas contained in pressure cylinders that is used by farmers and others with detached residences far from city gas mains. Several Hollywood stars got into trouble only a few weeks ago because critical equipment had been installed in their cars contrary to priority rules, in order to use the butane gas.

This gas is in liquid form in the cylinder, and instantly becomes gaseous when the valve is turned. It has a high B.T.U. rating of about 2400 compared to about 800 for ordinary city cooking gas. It is heavier than air, and thus can collect in low places instead of dissipating.

According to Mr. MacDonald it is extremely explosive and has been responsible for a number of truck losses. It also caused a disastrous garage loss at Chicago in January in which the roof was blown off, causing almost total building loss, and total loss on a truck and other equipment in the garage.

Butane has a very low flash point, Mr. MacDonald explained. It is virtually odorless, so that for commercial and residence use it has been given a synthetic odor as a safeguard in its use. Since the gasoline tanks on trucks generally are higher than the motors, any leakage of butane from the tank could cause a flash fire.

Draws Some Conclusions

Superintendent MacDonald draws the conclusions that agents, brokers and underwriters must be more selective in writing truck risks, especially long-haul; that controllability of the risk, including such factors as safety engineering, manpower, etc., must be seriously considered; and also that in these times, it be realized that any truck may be called on to haul munitions, even high explosives, without the driver, and possibly even the owner, knowing anything about the nature of the load.

Mr. MacDonald finds that in the short-haul business, and especially city

risks, there is considerable accident frequency but not high cost as a rule. The real loss cost occurs on the open highway when heavy equipment starts to roll. Close attention should be paid to lighting, he commented. Efficiency of lights may fall due to difficulty in securing replacement bulbs, particularly of the "sealed-beam" type.

The truck fleet business now is very good, according to W. Russell Hummel one of the specialists in short and long haul risks in Chicago who operates a general agency. The premium volume has improved. Mr. Hummel does not believe the loss situation has become abnormal.

Gypsies Have About Disappeared

There is little or no new equipment obtainable, except possibly by operators of financial and management integrity who are moving war goods and can get priorities. There is a definite tendency of operators to take extra good care of their equipment. The fly-by-night and gypsy truck operators have been very largely eliminated, or they have secured more frequent work by contracting to haul for some fleet operator who is moving war goods. The truck driver-operator is a dwindling factor and the business man operator is coming more into his own as it is found that he can stand the gaff.

The writing of truck fleets has been more diversified, Mr. Hummel said. In years past there was bad experience on trucks in many companies and they became gun-shy. Most of them would say "no" to truck submissions, particularly long-haul. Only a few stock and mutual companies cared to touch these risks. Now most companies will consider them, especially from valued agents and brokers giving them other lines.

National recognition to the maintenance and parts situation in the motor truck industry was given in Congress April 18 by Senator Wiley, Wisconsin Republican. In a speech in the Senate he stated milk trucks are breaking down in his state beyond economical repair and new trucks are needed at once if the milk and cheese production there is to be saved. Wisconsin, he said, produces one-eighth the nation's milk and 65% of its cheese, and the transportation situation affecting these vital food products is "becoming tragic." The government must provide trucks for the dairy industry, he concluded.

Auto Premiums Drop 10.7% in Second War Year

(CONTINUED FROM PAGE 1)

circles and that it is logical to expand the automobile market at this time to embrace aviation. While the amount of discussion of aviation insurance may be all out of proportion to the amount of premiums written or available today and while some of the claims of future prospects in the line may be exaggerated, it is a subject that can stand much illumination and it is certainly a branch of insurance that is destined to assume very much greater importance.



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Standing of Groups in 1943 Auto Premiums Shown

The Travelers organization maintains its lead as the largest single stock automobile insurance company house in the country as a result of 1943 operations, since the premiums of all Travelers companies for all types of automobile insurance aggregated \$24,808,815. State Farm Mutual Automobile and State Farm Fire combined, in addition to leading the mutual groups in automobile premiums also constitute the largest automobile insurance group, either in the stock or mutual field. The State Farm group had premiums last year of \$26,483,747.

The Travelers group total was aided considerably by the sensational good record of Travelers Fire, which made a handsome gain and in 1943 stood first among all stock fire companies in automobile premiums.

The Hartford Fire group continues to hold a good grip on second place in the stock company category. American Auto moves up from fourth to third place, the acquisition of Associated Indemnity and Associated F. & M. during the year having helped to increase the total. However, even without the premiums of those two companies American Auto would be in third place.

The Aetna Casualty group also moved ahead a notch and stands fourth, while the Royal-Liverpool aggregation is fifth. The Employers group continues to retain its hold on sixth place and the Loyalty group remains seventh. America Fore is still eighth, U. S. F. & G., ninth, and Home 10.

Among mutual and non-stock groups the Kemper organization is second and Liberty Mutual continues in control of third place. Farmers Auto continues to be fourth but Farm Bureau Mutual of Ohio moves ahead of Hardware Mutual Casualty into fifth position. Hardware Mutual is sixth. American Mutual Liability is seventh; Utica Mutual eighth. National Grange goes into ninth place ahead of Factory Mutual Liability, which is now tenth.

STOCK GROUPS

Premiums	
1943	1942
Travelers	\$12,444,655
Travelers Indem.	6,190,645
Travelers Fire	6,173,515
Total	\$24,808,815
Hartford A. & I.	\$14,616,747
Hartford	5,535,869
N. Y. Und.	148,387
N. W. F. & M.	73,595
Citizens, N. J.	31,415
Queen City	26,256
Twin City	18,600
Total	\$20,450,863
Amer. Auto. Mo.	\$11,545,132
Amer. Auto. Fire.	5,104,233
Assoc. Indem.	867,093
Assoc. F. & M.	91,072
Total	\$17,607,530
	\$18,940,755

Premiums		
1943	1942	
Aetna Cas.	\$11,226,482	\$13,544,623
Automobile, Conn.	4,113,912	4,125,621
Standard, Conn.	111,811	93,831
Iowa Fire	9,810	11,871
Aetna Life	18	296
Total	\$16,402,032	\$17,776,242

Premiums		
1943	1942	
Globe Indemnity	\$ 6,532,402	\$ 7,651,164
Royal Indemnity	4,332,517	5,621,388
Eagle Indemnity	1,801,325	2,320,037
L. & L. G.	884,067	947,741
Royal	884,067	947,741
Queen	752,737	803,889
Newark	290,089	308,429
Star	238,018	255,161
Va. F. & M.	13,773	17,279
Amer. & Foreign	102,008	109,355
Federal Union	85,006	91,129
Capital, Calif.	34,003	36,452
Total	\$16,010,012	\$19,002,586

Employers Liab.		
1943	1942	
Employers	\$ 7,909,487	\$ 9,099,357
Employers	3,423,454	3,987,265
Employers Fire	1,644,969	1,492,805
Total	\$12,977,910	\$14,579,427

Metropolitan Cas.		
1943	1942	
Commercial Cas.	\$ 3,445,891	\$ 4,435,031
Firemen's, Newark	3,757,957	3,704,913
Milwaukee Mechs.	1,190,020	1,173,233
Concordia	428,428	432,240
Gibraltar F. & M.	428,428	432,240
Natl. Ben Frank	428,428	432,240
Total	\$12,651,022	\$14,326,396

Fidelity & Cas.		
1943	1942	
Maryland	83,072	77,791
Fidelity-Phenix	1,687,764	2,050,603
Continental	1,908,215	1,933,080
Niagara	607,772	645,682
American Eagle	481,290	533,062
First American	160,674	175,126
Total	\$11,775,312	\$13,552,377

U. S. F. & G.		
1943	1942	
U. S. F. & G.	\$ 9,470,853	\$ 10,207,152
Fid. & Guar. Fire	2,610,671	2,509,800
Total	\$11,681,524	\$12,716,952

Home		
1943	1942	
Home Indemnity	\$ 2,711,890	\$ 3,203,803
Franklin	680,279	851,243
City, N. Y.	203,112	339,915
National Liberty	682,107	311,234
New Brunswick	305,887	169,960
Ga. Home	135,611	169,958
Gibraltar F. & M.	203,722	169,958
Homestead	203,722	169,958
Paul Revere	135,611	169,958
Balt. American	306,193	115,114
Carolina, N. C.	204,026	84,979
Total	\$ 9,391,385	\$12,506,801

General Acci.		
1943	1942	
Potomac Fire	1,169,252	1,099,479
Total	\$ 9,203,247	\$12,143,451

Continental Cas.		
1943	1942	
Natl. Cas.	456,104	527,361
Transportation	374,686	263,965
Total	\$ 8,105,697	\$ 8,010,247

Ind. Ins. Co. N. A.		
1943	1942	
Ins. Co. of N. A.	\$ 4,981,229	\$ 5,540,664
2,519,881	2,686,697	
Alliance, Pa.	283,486	302,253
Phila. F. & M.	157,492	167,919
Central Fire, Md.	141,743	151,127
National Security	47,247	50,376
Total	\$ 8,131,078	\$ 8,889,036

Century Indem.		
1943	1942	
Aetna Fire	\$ 2,356,581	\$ 2,494,008
Standard Ins. N. Y.	846,340	1,544,537
Standard S. & C.	1,323,602	1,483,055
Piedmont, N. C.	393,978	573,346
World F. & M.	332,062	333,855
Total	\$ 7,781,200	\$ 9,984,374

Penn. Cas.		
1943	1942	
Manufac. Cas.	1,869,147	2,903,621
Calvert	1,275,256	771,895
Allstate Fire	2,133,752	1,706,414
Manufac. Fire	261,193	125,223
Cavalier	67,046	103,278
Plymouth	—	19,529
Total	\$ 7,060,877	\$ 8,579,949

Amer. Acci.		
1943	1942	
Amer. Auto. Mo.	\$ 11,545,132	\$ 13,208,011
Amer. Auto. Fire.	5,104,233	4,706,090
Assoc. Indem.	867,093	945,034
Assoc. F. & M.	91,072	81,620
Total	\$17,607,530	\$18,940,755

General Cas.		
1943	1942	
Great Amer. Ind.	\$ 3,923,165	\$ 4,281,527
Great American	1,273,142	1,297,433
Amer. Alliance	166,010	188,127
Detroit F. & M.	67,043	67,661
Rochester Amer.	67,043	67,661
County, Pa.	33,841	34,036
Mass. F. & M.	33,841	34,036
Total	\$ 5,564,085	\$ 5,950,481

Zurich Fire		
1943	1942	
Zurich	\$ 737,057	\$ 566,758
Zurich	4,664,230	4,680,503
Am. Guar. & Liab.	96,669	94,895
Total	\$ 4,897,956	\$ 5,372,156

Federal		
1943	1942	
<tbl

	Premiums		Premiums		
	1943	1942	1943	1942	
New England Cas.	\$ 170,073	\$ 280,010	Norwich Union	\$ 297,579	\$ 329,865
Springfield F. & M.	1,798,420	1,905,108	Eagle, N. Y.	76,642	80,022
Sentinel	51,458	54,313	Nor. Un. Ind.	210,822	257,972
Mich. F. & M.	211,415	223,934	Total	\$ 585,043	\$ 667,859
New England	52,854	55,984	London Assur.	\$ 390,084	\$ 467,011
Total	\$ 2,284,206	\$ 2,519,349	Manhattan F. & M.	157,711	235,571
West. Fire, Kan.	\$ 656,500	\$ 582,971	Total	\$ 547,795	\$ 702,582
Western C. & S.	1,522,798	1,628,516	Utilities	\$ 425,810	\$ 479,450
Total	\$ 2,179,298	\$ 2,211,487	Preferred Fire	117,267	144,557
Sun	\$ 518,477	\$ 551,365	Total	\$ 543,077	\$ 624,007
Sun Underwriters	123,586	110,031	Millers National	\$ 384,415	\$ 454,041
Patriotic	167,273	163,671	Illinois Fire	12,536	5,341
Sun Indemnity	1,228,460	1,322,023	Total	\$ 396,951	\$ 459,382
Total	\$ 2,037,796	\$ 2,357,090	Caledonian	\$ 248,449	\$ 214,563
General Reins.	\$ 1,942,667	\$ 1,976,055	Cal.-Amer.	119,108	150,831
North Star Reins.	50,943	49,632	Netherlands	28,059	28,713
Total	\$ 1,993,610	\$ 2,025,687	Total	\$ 395,616	\$ 394,107
Amer. Fire, Tex.	\$ 90,357	\$ 98,025	Northern Eng.	\$ 365,800	\$ 418,939
Amer. Indem.	1,880,370	2,074,907	Lond. & Scot.	23,957	39,866
Total	\$ 1,970,727	\$ 2,125,932	Total	\$ 389,757	\$ 458,865
Ohio Farmers	\$ 885,745	\$ 930,738	Dubuque F. & M.	\$ 267,455	\$ 344,710
Ohio Farm. Indem.	1,030,526	1,065,512	Natl. Reserve	98,088	100,407
Total	\$ 1,916,271	\$ 1,996,250	Total	\$ 365,543	\$ 445,117
United States F.	\$ 525,281	\$ 556,041	Prudential	\$ 146,115	\$ 173,193
North River	320,439	349,394	Skandia	101,221	98,999
Richmond	85,468	49,629	Hudson	19,371	17,515
British Amer.	15,856	20,544	Total	\$ 266,707	\$ 289,617
Western, Ont.	62,091	66,746	Rhode Island	\$ 206,755	\$ 262,663
Alemania	189,506	154,518	William Penn F.	42,160	9,457
Westchester	678,922	968,582	Total	\$ 248,915	\$ 272,123
Southern, N. C.	70,742	60,278	Century	\$ 76,357	\$ 87,561
Total	\$ 1,893,025	\$ 2,216,732	Pacific Coast	25,452	29,187
Security Conn.	\$ 608,706	\$ 639,627	Total	\$ 101,809	\$ 116,748
East & West.	152,196	155,906	Hamilton	84,983	\$ 66,966
Connecticut Ind.	1,096,219	1,254,442	Natl. F. & M.	247	39,068
Total	\$ 1,887,121	\$ 2,054,275	Total	\$ 85,230	\$ 106,043
Royal Exchange	\$ 367,811	\$ 403,353	Natl. Reins.	\$ 25,158	\$ 19,173
Car & General	1,471,489	2,309,212	Reins. Corp.	49,177	43,680
Total	\$ 1,839,297	\$ 2,712,568	Total	\$ 74,335	\$ 62,853
No. Brit. & Merc.	\$ 411,902	\$ 485,977	Met. Fire Re.	\$ 38,629	\$ 13,611
Pennsylvania	649,126	614,654	Northeastern	31,645	\$ 19,792
Commonwealth	290,082	296,026	Total	\$ 70,274	\$ 33,403
Mercantile	274,626	268,578	Bituminous F. & M.	\$ 22,142	791
Homeland	181,317	221,777	Total	\$ 45,987	\$ 27,217
Total	\$ 1,807,053	\$ 1,887,012	Union & Phenix	\$ 48,511	\$ 31,124
No. Am. F. & M.	\$ 473	\$ 611	Unity	8,985	Total
Swiss Reins.	94,241	100,951	Total	\$ 57,496	\$ 31,124
Europe Gen. Reins.	1,520,477	2,635,466	NON-STOCK AND MIXED		
Total	\$ 1,615,191	\$ 2,757,028			
Fire Assn.	\$ 1,206,827	\$ 1,291,821			
Lumbermen's	193,092	206,691			
Reliance	128,728	137,794			
Phila. Natl.	80,455	86,121			
Total	\$ 1,600,102	\$ 1,722,427			
Premier	\$ 1,036,233	\$ 1,257,061			
Pacific Natl. Fire.	482,266	528,426			
Total	\$ 1,518,499	\$ 1,758,487			
National Union	\$ 1,505,628	\$ 1,856,179			
Birmingham, Pa.	129	5			
Total	\$ 1,505,757	\$ 1,856,174			
Northwestern Nat.	\$ 625,073	\$ 647,004			
Northw. Nat. Cas.	845,987	939,079			
Total	\$ 1,471,060	\$ 1,588,083			
Pearl Assur.	\$ 622,959	\$ 619,429			
Eureka-S. F. & M.	586,682	590,896			
Monarch Fire	256,512	256,655			
Total	\$ 1,406,153	\$ 1,466,980			
Keystone A. Cl. F.	208,609	\$ 194,863			
Connerton A. Cl. C.	1,208,632	1,547,340			
Total	\$ 1,417,241	\$ 1,742,203			
National Union	\$ 93,907	\$ 93,633			
State Farm M. Aut.	26,392,840	25,645,993			
Total	\$ 26,486,747	\$ 25,739,626			
Federal Mut. Fire	\$ 207,137	\$ 290,761			
Federal Mut. Lab.	6,569	12,600			
Natl. Retailers M.	840,445	1,437,547			
Amer. Motorists	4,589,477	5,989,198			
Lumb. Mut. Cas.	13,040,082	18,458,889			
Amer. Motorists F.	169,005	151,876			
Total	\$ 18,852,716	\$ 26,340,871			
United Mutual Fire	\$ 1,686,591	\$ 1,837,890			
Liberty Mut.	10,404,141	14,178,520			
Total	\$ 12,090,732	\$ 16,010,810			
Farmers Aut. Cal.	\$ 8,798,901	\$ 9,009,239			
Truck Ins. Exc.	2,263,560	1,765,820			
Total	\$ 11,062,461	\$ 10,775,059			
Farm Bur. Mut. O.	\$ 7,471,839	\$ 8,359,696			
Farm Bur. Mut. F.	509,230	490,434			
Total	\$ 7,981,069	\$ 8,850,130			
Mut. Impl. & Hdwe.	\$ 577,303	\$ 590,954			
Hwd. Dl. Mu. Fire	576,602	586,729			
Hwd. Mut. Cas.	6,508,653	8,061,022			
Total	\$ 7,662,558	\$ 9,238,705			
Allied Am. M. F.	\$ 793,016	\$ 818,547			
Amer. Mut. Lab.	3,076,355	4,071,188			
Amer. Policyholders	1,372,660	2,025,453			
Total	\$ 5,252,031	\$ 6,915,188			
Allied Fire	\$ 118,468	\$ 101,163			
Utica Mut.	3,350,039	4,338,661			
Total	\$ 3,468,507	\$ 4,439,824			
Universal	\$ 851,189	\$ 942,414			
Universal Indem.	224,273	302,940			
Total	\$ 1,075,482	\$ 1,245,354			
MERCHANTS					
Merchants, N. Y.	\$ 477,200	\$ 617,657			
Washington Assur.	113,077	147,082			
Merchants Indem.	352,822	581,617			
Total	\$ 943,000	\$ 1,346,356			
American Equit.	\$ 335,960	\$ 370,396			
Globe & Republic	190,977	213,066			
Knickerbocker	146,382	161,387			
Merch. & Mfrs.	151,186	126,933			
New York Fire	170,380	186,433			
Switzerland Genl.	893	922			
Total	\$ 959,798	\$ 1,059,197			
Providence Wash.	\$ 773,044	\$ 814,066			
Anchor	145,048	152,118			
Total	\$ 918,092	\$ 966,184			
Atlas	\$ 452,819	\$ 478,459			
Albany	86,145	91,128			
Quaker City F. & M.	285,618	429,165			
Total	\$ 824,082	\$ 998,752			
London & Prov.	\$ 36,684	\$ 38,928			
Seaboard F. & M.	113,199	132,794			
Yorkshire	183,421	194,642			
Seaboard Surety	3,432	2,058			
Yorkshire Indem.	382,873	488,261			
Total	\$ 719,609	\$ 854,625			
Selected Risks F.	\$ 54,845	\$ 92,400			
Selected Risks Indem.	664,370	668,453			
Total	\$ 719,215	\$ 760,853			
Boston	\$ 495,805	\$ 575,830			
Old Colony	160,911	178,354			
Total	\$ 656,716	\$ 754,154			
N. J. Mfrs. Assn. F.	\$ 317,459	\$ 369,415			
N. J. Mfrs. Ass. Cas.	308,442	472,297			
Total	\$ 626,901	\$ 841,712			
New Hampshire	\$ 394,608	\$ 506,490			
Granite State	220,933	286,515			
Total	\$ 615,541	\$ 793,005			
Globe & Rutgers	\$ 350,806	\$ 418,754			
American Home	76,660	93,468			
Ins. Co. St. Pa.	177,582	209,324			
Total	\$ 605,048	\$ 721,546			

The NATIONAL UNDERWRITER

HOME OFFICE:
60 John Street

**AUTO THEFTS INCREASED
11.5% in 1943 or 5.5%
Over Pre-war Average
INSURE YOUR CAR!**

F. B. I. reports from 318 large cities

**I'LL SAY NOT -
EXCEPTLY SINCE THE
AVERAGE VALUE OF CARS
STOLEN LAST YEAR
INCREASED 6.7%**

**Hard Work Gets Results
Despite Unfavorable Factors
in Automobile Field**

Cyrus L. Garnett, president Motor Vehicle Casualty of Chicago, believes that there has been too much of a defeatist attitude taken toward the automobile business because of the non-production of new cars for the public. He reaches his conclusions because in his own company in 1942 it increased its premiums and in 1943 proved to be the best year in its history. Mr. Garnett explains the situation by saying that when the new situation confronted automobile writing companies he and his associates concluded that they would work harder, they would intensify their effort, they would cultivate their agents more assiduously, they would appoint new agents, they would get into the rural districts and devote much time to maintaining their premium income. The new financial responsibility law in Indiana helped develop new business. However, the program that was decided upon was effective in "bringing home the bacon."

Many people who are taking advantage of prosperous times to reduce mortgages on their homes need automobile bodily injury coverage to protect their homes.

Now is the time to establish the habit of carrying bodily injury protection when people have plenty of money to pay for it.

Surety

New York City

Stock Casualty Premium Volume Declines \$43 Million in 1943

After a second near record year in 1942, the stock casualty companies last year showed a big drop in total automobile premiums. The decrease was \$43,834,380, 14.6% of the \$292,562,378 written in 1942. The 1943 premiums were \$248,727,998. The 1942 figure was only \$635,886 less than the record of \$293,198,264, established in 1941. Public liability rate decreases probably accounted for the bulk of the loss in premiums. However, there was a decrease of more than \$20 million in automobile liability premiums in New York state in 1943, following the big volume rolled up in 1942 after the automobile financial responsibility law went into effect there. In the stock casualty companies 1943 exhibit public liability premiums declined more than \$40 million, property damage writings more than \$2 million and collision \$841,-000.

Loss Ratio Is 42.2

The loss ratio did not materially change in 1943. It was .42.2, slightly better than the .43.6 of 1942. The public liability ratio was roughly .40, compared with .42 in 1942 and .43 in 1941; property

damage losses ran around 43% in 1943, 47% in 1942 and 55% in 1941, and collision, 38% in 1943 and about 45% for 1942 and 1941.

Among the stock casualty leaders Hartford Accident took over the lead on an individual basis from Travelers

whose \$12,444,655 total represented a drop from 1942 of 24.6%. However, Travelers Indemnity, though it showed a decline of 21%, only missed the exhibit of 10 leaders by a slight margin and even with its comparative loss, had the respectable 1943 total of \$6,190,

645. Travelers' writings left it almost \$ million ahead of American Automobile, which had \$11,545,132, a decrease for its 12.6%. American Auto, however, moved from fourth to third position. Aetna Casualty, which had 17.1% less than its 1942 premiums, going into fourth place.

Continental Casualty Ahead

The only increase in the table is shown by Continental Casualty, whose gain of 2%, to \$7,364,987, brought it among the first 10, into eighth place. Fidelity & Casualty, with \$6,246,541, compared to \$8,137,033, barely missed the table. U. S. F. & G., sixth last year, traded places at fifth with General Accident, and Employers Liability, seventh in 1942, held to that position for 1943. Globe Indemnity improved its standing by one place, being in ninth, and Maryland Casualty comes back into the table in the 1943 showing.

Two companies, Insurors Indemnity and American Fidelity of Vermont were transferred to the stock full coverable, since they wrote fire premiums in addition to the casualty lines last year.

Automobile Premiums and Losses of Stock Casualty Companies

(CONTINUED ON NEXT PAGE)

	1943										1942										1941													
	Total Net Prems.	Paid Losses	Loss Ratio	Inc. or Dec. in Prems.	Liability			Prop. Damage Net Prems.	Paid Losses	Collision Net Prems.	Paid Losses	Total Net Prems.	Paid Losses	Inc. or Dec. in Prems.	Total Net Prems.	Paid Losses	Collision Net Prems.	Paid Losses	Total Net Prems.	Paid Losses	Inc. or Dec. in Prems.													
Preferred Acci...	3,821,195	1,919,608	50.0	-1,865,401	2,577,874	1,359,150	1,072,829	492,684	170,492	67,774	5,686,596	2,530,850	44.9	+481,485	5,205,111	2,689,346	51.6																	
Protect. Indem...	663,352	339,795	58.8	-361,484	456,397	262,028	184,436	104,293	22,519	23,474	1,024,836	506,381	49.7	+270,376	754,460	413,992	54.8																	
Royal Indem...	4,332,517	1,986,899	46.0	-1,288,971	3,100,484	1,411,298	1,191,973	561,283	40,060	14,318	5,621,488	2,853,542	50.2	-211,540	5,832,028	2,501,182	60.2																	
St. P.-Merc. Ind.	3,703,269	1,199,854	32.3	-140,870	2,483,383	758,009	1,010,019	375,033	209,867	66,807	3,844,139	1,499,049	38.8	+75,225	2,768,914	1,426,243	38.1																	
Seaboard Surety...	3,432	114	0.3	1,274	2,401	1,031	114	2,058	180	8.8	+2,024	34																						
Sel. Risks Indem...	664,370	223,804	33.6	-4,083	418,134	130,069	187,725	79,980	55,511	13,755	668,463	308,935	47.8	+6,562	661,591	262,789	39.7																	
Standard Acci...	5,462,884	1,766,073	32.4	-681,289	3,404,018	1,344,163	1,079,531	408,395	43,335	12,516	6,444,173	2,093,884	34.0	+293,835	5,850,238	1,971,362	33.6																	
Stand. Sur. & C...	1,333,602	607,856	45.5	-149,453	954,484	424,420	374,201	181,962	4,917	1,474	1,483,055	1,003,053	67.0	-29,633	1,512,888	878,399	55.0																	
Sun Indemnity...	1,223,460	590,575	48.	-303,563	778,577	403,391	411,898	184,754	7,985	2,430	1,522,023	749,029	49.0	+93,924	1,438,099	866,399	60.2																	
Travelers	12,444,655	5,065,221	40.7	-4,052,102	12,444,655	5,065,221	12,244,173	-209,460	66,786	7,841,374	3,625,456	46.3	+75,286	7,766,108	3,536,296	45.5																		
Travelers Indem...	6,190,645	2,715,467	43.8	-1,650,729	1,264,480	404,508	5,135,625	2,244,173	1,045,399	2,058	16,496,757	6,866,470	42.0	-112,702	16,609,459	6,224,607	37.4																	
Tri-State Cas...	24,293	6,897	28.3	-3,942	15,873	3,547	8,420	3,250	.....	28,235	11,331	40.3	+6,705	31,530	8,004	37.0																	
U. S. Cas...	2,141,749	871,933	40.6	-443,561	1,551,075	575,065	571,602	287,765	19,072	9,104	2,585,810	1,082,605	40.0	+326,491	2,248,819	969,904	43.1																	
U. S. F. & G...	9,070,853	3,415,451	37.6	-1,136,299	6,437,313	2,325,647	2,519,353	1,045,399	114,187	44,405	10,207,152	4,138,076	40.5	+399,673	9,807,479	5,213,425	53.1																	
U. S. Guar...	1,803,906	763,866	42.0	-432,410	1,267,474	545,528	478,101	201,691	58,331	16,647	2,236,316	988,206	44.0	-118,612	2,354,928	1,110,291	47.1																	
Universal Indem...	224,273	127,099	56.8	-78,667	152,913	91,853	71,360	35,246	.....	302,940	145,146	48.0	+39,869	263,071	122,374	46.6																	
Utilities, Mo...	425,810	250,947	58.9	-53,640	306,428	182,635	55,706	48,786	33,676	19,826	479,450	312,742	65.2	-213,911	693,361	412,716	59.5																	
Virginia Sur...	186,686	103,379	55.3	-52,505	118,439	45,465	57,771	14,242	10,426	14,750	239,191	68,734	55.7	+173,946	65,245	18,721	21.0																	
West. C. & S., Kan.	1,522,798	532,145	34.9	-105,718	1,021,469	318,724	473,498	201,887	27,831	11,534	1,628,516	701,746	43.2	-52,864	1,681,380	779,325	46.3																	
Western Nat. Ind.	722,065	222,478	30.8	-58,088	516,315	144,225	204,624	77,978	1,126	278	780,153	362,075	46.5	-30,027	810,180	283,664	31.3																	
Yorkshire Indem...	382,873	159,651	41.7	-105,388	257,360	105,411	124,830	54,128	683	142	485,261	187,378	38.4	+41,831	446,430	242,490	54.3																	
Zurich	4,064,230	2,023,776	49.7	-616,273	2,979,089	1,391,293	1,073,185	621,907	11,956	10,576	4,680,503	2,233,951	48.0	-57,681	4,738,184	2,103,531	44.3																	
Total	248,727,998	100,915,949	40.6	-43,834,380	179,746,761	71,617,390	65,566,150	27,986,644	3,422,562	1,339,018	292,562,878	127,840,875	43.3	-635,886	293,198,264	133,359,725	45.5																	

Slight Gain for Stock Full Cover

TEN LEADING STOCK FULL COVER COMPANIES

	Premis. 1943	Premis. 1942	% Change	Premis. 1941	Premis. 1940	Premis. 1939
1. Ohio Casualty...	\$ 5,275,956	\$ 6,005,304	-12.2	\$ 6,472,376	\$ 5,938,199	\$ 4,190,479
2. Pacific Indem...	3,455,236	3,734,702	-7.5	3,927,746	3,579,879	3,238,978
3. American States...	3,374,694	2,769,258	+21.9	2,788,816	2,308,269	1,904,968
4. Trinity Universal...	3,213,800	3,391,328	-5.2	3,704,438	3,186,861	2,981,145
5. United Pacific...	2,770,988	2,335,123	+18.7	1,650,614	1,579,827	1,594,393
6. Buckeye Un. Cas...	2,752,451	2,475,199	+11.2	2,558,290	2,059,440	1,804,260
7. Norw. Cas., Wash...	2,211,305	2,368,461	-6.6	2,695,068	2,264,365	1,783,265
8. Wolverine...	2,150,891	1,868,271	+15.1	1,743,726	1,454,571	1,260,349
9. Commerc'l Stand...	2,130,499	1,720,148	+23.9	2,052,360	2,450,746	2,485,026
10. Amer. Ind., Tex...	1,880,370	2,074,007	-9.4	2,325,860	1,874,853	1,714,053

There is only one new company in the list of 10 leaders, Commercial Standard, which displaced another Texas company, Employers Casualty, with a strap-

ping increase of 23.9%. American States, with a handsome gain of 21.9%, went from fourth to third, trading places with Trinity Universal. United Pacific, with an increase of 18.7%, moved from 7th to 5th, and Wolverine, which had a gain of 15.1%, from 9th to 8th place. Although it lost 12.2% of its total premiums, Ohio Casualty continued safely in the lead with \$5,275,956, well over \$1½ million ahead of second place Pacific Indemnity.

Two new companies show up in the full cover table, American Fidelity of Vermont, and Insurors Indemnity, both of which reported fire premiums as well as business for the other lines in 1943.

1943 Premiums and Losses of Stock Full Cover Organizations

	1943										1942										1941									
	Total Prems.	Losses \$	Loss Ratio	Inc. or Dec. in Prems.	Fire, Theft & Comp. Prems.	Losses \$	Liability Prems.	Losses \$	Property Damage Prems.	Losses \$	Collision Prems.	Losses \$	Total Prems.	Losses \$	Loss Ratio	Inc. or Dec. in Prems.	Total Prems.	Losses \$	Loss Ratio	Inc. or Dec. in Prems.	Total Prems.	Losses \$	Loss Ratio							
Am. F. & C., Fla...	567,236	153,282	27.0	-113,576	83,373	17,684	249,543	56,862	116,856	40,909	117,464	37,827	453,660	164,062	27.0	-20,649	109,8	56.7	40.5	533,562	1,20,645	10.8	43.3							
Amer. Fidelity, Vt...	211,435	91,419	43.1	-63,216	2,234	35																								

Sell Collision Coverage to Fire and Theft Policyholders

Dear Mr. Smith:

I have just looked at your automobile policy, and find that it does not pay for wreck damage to your car. The cost to repair wrecked automobiles has probably doubled since we entered the war.

Your careful driving does not offer security. Heavy war pushed trucks with inexperienced drivers, dangerous tires, and poor maintenance create an increased hazard even while your car is parked on the street. Records show that less than 10% of damages are ever collected from responsible parties.

With these things in mind I do not hesitate to recommend addition of the customary \$50.00 deductible coverage to your policy. This would provide collision protection to the expiration of your policy at a cost of only \$.....

Even though you have considered this before, I do not think you should be without this protection under present conditions. Please indicate your approval on the bottom of this letter, and return to us in the attached envelope. We will promptly send you the collision endorsement.

Yours very truly,

By adding collision cover on policies in force the small pro rata premium will be comparatively easier to sell and the renewal, including this protection, will then be easy to deliver, Hartford group points out in suggesting the above letter.

Definite Plan for Getting Business

(CONTINUED FROM PAGE 2)

whole idea. If agents will give these dealers keen competition then we are confident they will not become any major factor. On the other hand, if dealers find that they can easily pick up many policies just for the asking they will be encouraged to extend their activities in this field.

"Car owners as a whole have a new regard for their irreplaceable automobiles and this goes hand in hand with the willingness to protect it against loss or damage. Another strong factor in the picture is that people now have the money to pay the premiums. Our situation is unique in that there are not so many other commodities on the market competing for the premium dollar and, of course, this presents us now with an opportunity to create more easily a habit of buying complete A.C.V. and collision protection in the form of a legitimate insurance policy through a legitimate local agent.

AGENTS AND LOCAL BANK

"We have outlined how the business has passed from finance control and the opportunities that exist for the development of the business. It is our purpose now to outline a financial plan which will enable agents to retain the business they can put on their books during this period of unusual opportunity.

"We cannot get away from the fact that the financing of cars is inseparably linked with the production of much insurance. It has already been clearly indicated that the personal loan department of local banks will in the future

handle most of the loan business on the type of people who are agency customers. Agents will not want to make claim on the insurance covering the purchase of the older car where the buyer is not even known to the agent, but they will insist that lending agencies accept existing coverage on agency customers.

Will Protect the Agents

"The personal loan department of the local bank is protecting rather than destroying the business of agents, and it is fundamental that agents should assist it in the development and promotion of its business. It is evident that we should go to the bank ready to demonstrate that a plan which protects existing insurance for agents will provide very real reciprocal benefits for the bank.

"Agency customers both new and old are a source of prospects for the banker. Agents today have closer contacts with prospects than the bank, dealer or a finance company. The bank should recognize that agency connections and friends are exactly the type of people they want attracted to their personal loan department. The banker needs help from the man on the street in popularizing his personal loan service.

Can Promote Banks' Interest

"It has already been demonstrated in quite a few cities that agents can develop a considerable volume of loan business, and we feel that in talking about this to banks it is important to show the bank that where the needed cooperation of the banker is available that agents have the ability and facilities needed to aggressively promote the personal loan department of the bank.

"The new willingness of the bank to consider automobile financing and other small loans has broadened the field of opportunity for insurance men. Agents can offer their policyholders and prospects a needed loan and financing facility and this gives the agency a broader service and a widened sales opportunity.

OPPORTUNITY

Plus

Immediate openings for several Agents in upper New York state for permanent and exclusive connection with one of the nation's leading and fastest growing casualty and fire companies. Substantial permanent drawing account plus excess earnings assures exceptional present and post war income potential. Unique office locations bring unlimited prospects to you.

Write Allstate Insurance Company
70 West 23rd Street, New York 10, N. Y.

BANK AFFILIATION

"Every agent needs an intimate relationship with the personal loan department of at least one bank. He should have a plan worked out with the bank so that he can tell his friends, customers and policyholders that when they need cash for any reason, including an automobile loan or a premium financing service the agent will assist in securing immediate consideration with no red tape or delay at the bank. With this

approach available any coverage can be solicited, offering at the same time to finance all of the premiums and supply needed cash to liquidate other obligations that may be offering sales resistance to the immediate purchase of needed coverage."

OPPORTUNITIES

In summarizing the situation the statement points out:

1. Opportunities exist for the acquisition of a much larger number of automobile policies than agents have ever been able to write before.

2. The sale of collision coverage can be used as a means of increasing pre-

mium income and at the same time as a step to retain control of the business for the future.

3. Use of "automatic coverage" advertising material will aid in retaining business.

Preserving Existing Policies

4. Agents should show the personal loan departments of the local banks all the reasons why this department should operate on a basis that preserves existing policies for local agents.

5. There are many advantages that may accrue to a local agent by broadening his service to policyholders and prospects through an intimate relationship with the personal loan department of the bank where needed financing facilities can be secured for policyholders and prospects.

Agents Prepare Now for Future

(CONTINUED FROM PAGE 3)

cured concessions that the small town agents could not arrange for them.

"We do not think that the driving restrictions have reduced accidents proportionately to the number of cars on the road. Of course, we may be a little bit biased in our answer to this question because we are in our snow and icy season, and at this time of the year we do have more accidents than usual. Still, however, the snow and ice do help considerably in the severity of accidents and we honestly believe that all in all we do not have the serious accidents that we had under normal conditions."

J. F. VAN VECHTEN

J. F. Van Vechten of McIntosh-Bowers-West Company of Akron, O., president Ohio Association of Insurance Agents, gives what he calls random thoughts on automobile insurance. Mr. Van Vechten is a successful and progressive agent and his ideas whether random or those coming from concentrated thinking are worth while. He says:

"Owners value their automobiles highly these days. They take better care of them and they realize the necessity for proper insurance. High costs of repairs and the difficulty of obtaining replacements make automobile insurance more necessary today than ever. Comprehensive coverage and collision (either \$50 deductible or the 80% convertible),



WRONG WAY: "Mr. Hunter, your automobile insurance expires next month, is it all right to renew it?"

Don't bother, I don't drive my car enough these days on two gallons a week."

RIGHT WAY: "Mr. Hunter, what kind of a gas ration card do you have now? I want to determine the right rate for the insurance on your car for the coming year."

and, of course, bodily injury and property damage liability provide the most popular protection. Today our agency is insuring more automobiles than ever before.

"Ours is a personal business; thus, we must see more people and present to them a brief, clearcut description of the wares we offer and their cost. Then to obtain and to retain their confidence we must carry through. This is done by courteous, prompt and fair handling of losses and by continually looking after their interests. Doctors and lawyers instill confidence by the results obtained. Does not that yardstick apply to the insurance agent? In these gas rationed days it is necessary to make good use of the telephone and to group calls so that a maximum number can be made with a minimum use of gasoline.

Automobile Finance Business

"At present the automobile finance business is at a low ebb. However, when car manufacturers again begin to put out new automobiles, that matter will be omnipresent. All banks today have much idle money available and sound investments yield the lowest return in history. Banks all want federal deposit insurance and that requires liquidity. Losses on automobile financing have been infinitesimal, and the financing of automobiles presents to banks an attractive and safe field for investment.

"Furthermore, there is a growing tendency among the better banks to stay out of the insurance business and to accept from the borrower the required insurance written in reputable companies and by qualified agents. In all probability, local banks will play an important part in future automobile financing.

Should Stick to Their Knitting

"The insurance agents of this country have no fight with the large finance companies, so long as they stay in the field of financing. But when those companies wrap up a package which includes insurance, pay commissions to dealers, make sub-rosa contracts and generally ignore the insurance licensing and anti-rebate laws, then moisture appears under our collars. We hope that history will not repeat itself. We shall be watching and we shall aid those institutions which support the American agency system in word and in deed."

R. N. MARTIN, JR.

R. N. Martin, Jr., head of the Arizona Trust Co. of Tucson has found that while no new cars are being sold to create new insurance customers there has been a considerable amount of new business coming in on people who have never carried automobile insurance before. "This appears to be due to the fact that civilian and military personnel desiring to take their cars within the limits of the several air bases in our communities are required to produce evidence of insurance. I understand that

the same situation prevails all over the country wherever there are defense plants or government military reservations. This, of course, has created an artificial volume of business from many individuals who would not carry automobile bodily injury and property damage liability coverage unless they were forced to do so. Undoubtedly, after the war a great deal of this business will go off the books and these individuals will go back to their old way of letting the public watch out for itself.

Business Can Be Held

"It does seem, however, that if the agents and the companies do a proper selling job a great deal of this business can be held. Many of these people have never had the necessity for automobile coverage impressed upon them and the fact that the government has made such a requirement may make it possible to convince them that it really is a necessity. It seems that if the agent does just a little more than take an order when this kind of business walks in he may be able to build for the future a fair volume of renewal business.

"One of the problems is that of competition from automobile finance company agents when that business begins to revive again. This is unquestionably one of the most serious problems facing the local agents today. It would appear from the activities of these finance companies that they intend to make a very strong bid for a large volume of automobile insurance in the future. Most of them already have their own insurance companies and it is quite probable that they will even step out of the field of insuring finance cars only in which event they could probably capture a large volume of business which has heretofore been written through local agents. It seems to me high time that the local agents made a concerted effort to combat this situation. If nothing can be done through protective legislation, the agents can at least work with the banks and other similar finance institutions to salvage a good deal of what otherwise might be lost."

JOHN W. BOWERS

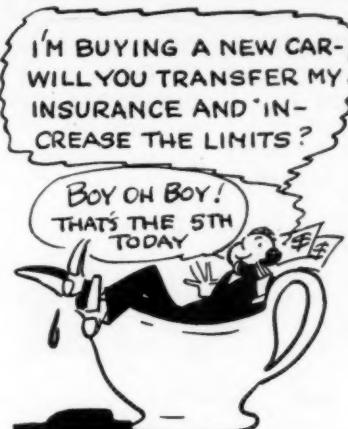
"In spite of the war, and with all of the restrictions imposed upon the automobile owner, premium volume on this type of coverage can be maintained by the progressive agency," John W. Bowers, Messer & Bowers Co., Enid, Okla., states. "Never before in history has the American public been so conscious of the value of an automobile. They appreciate this value and want to protect it against loss.

"The present condition does not require more service by the agent, but a systematic plan must be followed to secure new business. Newspaper and radio advertising will bring splendid results if properly prepared and changed regularly. Although few new cars are being sold, many used ones are changing hands daily. Best connections for securing this business, with but a minimum of effort, is the automobile dealer and the banks or finance companies.

"Premiums in general are usually low on old cars and many are now in 'age group four,' but in writing this business every new assured is a prospect for bodily injury and property damage insurance.

Gets Protection for Moderate Cost

"The automobile owner has never before purchased so much protection for so little money. Premiums have not advanced, but in many cases the two and three year old car is worth as much now as its original cost. Most renewals



Every new automobile policy sold today puts you closer to the gravy bowl when new car production gets underway after the war.

can be handled by merely making a call by telephone, as the assureds want to keep their policies in force.

"Properly managed commercial car lines, in certain classes of hauling and transportation are exceptionally good business from an agency standpoint, as they have priorities for securing new equipment, parts, tires, and fuel. These risks will remain on the agents' books, and produce big premiums.

"There is at the present time an unusual interest toward local financing and in all probability this will continue after the war. Money is plentiful and must have an outlet. Agents should work with these local organizations in order to secure present business and the great volume of new business that will come after the war.

Good Sales Talk

"A word about premiums. Before the war a two or three year old car was not worth over 50% of its original cost, and that was all the company would be expected to pay in the event of loss. Now this value equals at least the original cost and the assured is paying the same or less premium than at that time. What better sales talk could an agent have than this, in order to sell this type of policy.

"As to special service. None is necessary, but every agency should give at least as good service as was maintained before the war. People are getting tired of hearing that, 'There is a war on,' 'I can't get help,' and other excuses. Now is the time to be polite, courteous, patient and friendly to all customers and prospects. It will pay big dividends after the war is ended and we settle down again to normalcy."

H. M. WALTERS

H. Merrill Walters, Pocomoke City, Md., president Maryland Association of Insurance Agents says that his experience in the automobile insurance field during the past year, will show that he is probably among the few whose automobile business increased during the past year. "This is probably not due to any special efforts on my part but rather to local conditions and the lack of other means of intracity travel," he explains. "Few, if any cars, have been entirely out of use in our community and the reduced rates have caused our policyholders to retain their insurance, regardless of how little use they have for the car. Another important factor

Good Agency Companies

Our Automobile Department is peculiarly equipped to aid in solving problems involving Automobile Insurance.

NATIONWIDE FACILITIES

National Union and Birmingham

FIRE INSURANCE COMPANIES
PITTSBURGH • PENNSYLVANIA



Increased Accident frequency—
high replacement costs—make
Automobile insurance more
necessary than ever.

Our policies include all coverages
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causing our assureds to retain their automobile insurance is due to the fact that Maryland has a financial responsibility law and many drivers have a real fear of having their license revoked in the event of an accident without insurance coverage.

"We have used telephone service to contact our assureds on renewals—but in doing so we never ask them if they want their insurance renewed, as to do this we feel would create doubt in their minds as to whether they should renew. We ask them what kind of gasoline ration book they have and advise them that it is necessary to know this so that we can apply the proper rates to the renewal or the insurance as the rates are based on the kind of gasoline book they have.

"As to financing premiums on automobile insurance, we have never used a finance company. If a customer wishes credit we can usually satisfy them with a one-third payment with the policy, one-third in 30 days, and the balance in 60 days. This meets the requirements of our insurance law and permits of no charge for interest. Our fleet owners evidently borrow from banks if necessary as they do not ask for credit.

"Small loan companies in Maryland are not allowed to engage in the insurance business or accept any commissions on insurance contracts. Some loan companies evade the law by doing business through out-of-state brokers and unethical agents.

Satisfying the Company

"Our chief difficulty in the automobile insurance business is the problem of satisfying the insurance carrier, and the purchaser of a car as to the value and amount of comprehensive insurance that should be written on a new or used 1941 model, which is all most new purchasers can buy at the present time. For illustration, a client pays \$1,400 for a used 1941 car that has a blue book value of \$880, a factory list of \$1,077, a usual sale price of \$1,320, and since January 1st an OPA price ceiling. This problem is one which companies, adjusters and agents must face in a manner satisfactory not only to themselves but also to the car dealer and the car purchaser. The average purchaser does not understand that he is paying an excess price for the privilege of buying a car. He considers the cost its value. This I believe creates a real problem now and how an agent reacts to this problem will in my opinion have considerable bearing upon his ability to build for the future."

A. C. WALLACE

A. C. Wallace of Goshen, N. Y., president New York State Association of Local Agents, stresses eight main points on automobile insurance:

"1. Build for the future. I have been doing that all the time for the 30 years that I have been in business. I stick to it as consistently as I can. I deliver as many renewals as possible or solicit them in advance. It means a great deal in personal contact and development of new business. Now there is the need



When the jury starts arguing about the size of the verdict, automobile bodily injury insurance for high limits is a mighty good investment.

of keeping in contact with the families of service men so that we will be in a position to resume where we left off when they return.

"2. There is nothing more effective than frequent personal contact, frank discussion of insurance needs, and to be alert and industrious in the search for new business. Careful attention to loss adjustments is important and needs the personal attention of the boss.

More Service Needed

"3. Higher wages makes more sales possible. Departures into the armed services and removal to industrial areas require readjustment of personal insurance of various kinds. If the head of a small business is drafted, special arrangements must be made.

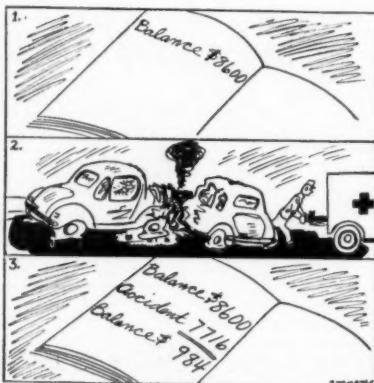
"4. We recommend bodily injury and P. D. with limits according to the person's means; medical expense coverage \$500; comprehensive if the car is worth it; and collision under the same conditions.

"5. Advertising, leadership in civic work, fire prevention, accident prevention, war loans, all help in making contacts.

"6. Almost all of our new business comes from the uninsured. I do very little switching of business. I do not like it and am not good at it.

"7. I use the telephone very little in getting renewals. If possible I make the personal contact. It pays. With gasoline shortage I use telephone more than formerly in cases which I am sure of. I do plan trips much more carefully, so as to make as many calls per gallon as possible.

"8. We like to finance premiums. Generally we make satisfactory arrangements with our local bank. It has saved a good many bad accounts. I believe that more banks will go in for it. But that is only my opinion."



Automobile bodily injury insurance not only protects your bank balance and savings but it also eliminates possibilities of mortgaging your future if the cost exceeds your savings.

IRVING R. ZERZAN

I. R. Zerzan, secretary Omaha (Neb.) Insurance Agency and retiring president Nebraska Association of Insurance Agents, comments as follows:

"In my opinion, there are many inducing factors which should lead to an increase in the number of automobile policies on the books of stock casualty agents today. Most prominent among these reasons is the much lower rate now in effect throughout the country, and next important is the fact that the automobile owner has the money with which to pay the premium. The National Safety Council figures show that there have been substantially fewer au-

tomobile accidents due to the substantially fewer cars on the highways and the 35-mile speed limit has unquestionably decreased the severity of the accidents.

"Our agency has been most fortunate in holding up the total automobile premium by advocating higher limits, medical reimbursement endorsement, etc., and in addition to the comprehensive coverage, we are selling considerably more collision coverage than ever before. Actually, we have had approximately a 40% increase in the number of automobile policies on our books.

"Is it my opinion that the banks have become more and more interested in setting up personal loan departments which should encourage the financing of automobiles through the banks than through independent finance companies. I feel confident that my observations are similar to those of most agents throughout the country, and in the long run, the stock casualty agent will profit from the increased number of policyholders on his books."

VAN HOWELL

Van Howell of Cravens & Co., Fayetteville, Ark., states that that agency's automobile premiums have shown a nice increase since the day of financing due to the facts that it did not handle many finance accounts. Its experience in the last few years has been excellent.

"Of course," he observes, "we are looking forward to the day when cars will again be financed in quantity and right now we are contemplating setting up a finance company with which to handle a good volume of automobile and airplane financed business. It is our endeavor to have this in motion by the time the automobile business comes back."

"We have found it quite profitable to solicit automobile business since the days of financing and therefore we have stressed this as an avenue of increasing our volume in our meetings with our producers."

RICHARD F. McCREADY

A successful wartime production program is outlined by R. F. McCready, local agent at Winchester, Ky.:

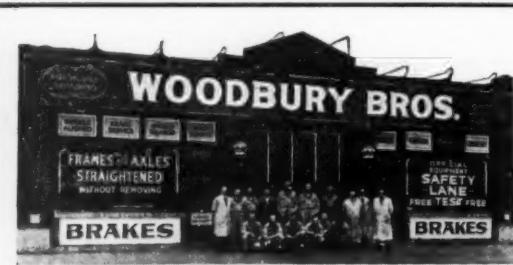
1. An agency should continue to give the best service possible.

2. A well established agency should concentrate on all clients, constantly surveying their needs. This is the best way to increase premium volume.

3. The actual value comprehensive fire and theft policy is, of course, the best for the individual car owner at all times and at this time is the greatest bargain in the insurance market, as in most instances the amount recoverable is two or three times that contemplated when the premiums were computed.

4. At the present time increased incomes and values coupled with low premiums cause many persons to insure.

5. Prior to the war local banks and



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local financing companies had already taken most of the business away from the finance companies. There are no special features of interest in the commercial car business, in my opinion except that amounts written should be scrutinized so that the insured will collect the full amount of his policy in the event of total loss.

Aviation Coverage as Field for Independent Company

(CONTINUED FROM PAGE 14)

port which has cost \$75,000,000 and is planning another to cost \$100,000,000. The cost of an adequate airport will be within the means of the average city together with such state and federal aid as may be made available. Every airport is an insurance prospect. The courts have held that airports are generally operated by municipalities in their proprietary capacity rather than in a governmental capacity and therefore need insurance.

FEDERAL REGULATION

The possibility of federal regulation of aviation insurance will be a topic of lively discussion because the orderly regulation of flying would seem to require control on a national basis. The theory that the space above the ground belongs to the person holding title to the ground has long ago been exploded. It seems logical that the public's right of flight in the navigable airspace would have the same constitutional basis which has given rise to a public easement of navigation in the navigable waters of the United States regardless of the

Automobile Accidents Exceed War Casualties

From Pearl Harbor to Jan. 1, 1944



ownership of the adjacent soil. The federal government might well then assert the right to regulate all air transportation as it does water transportation of the navigable streams. In fact, the federal government has already taken con-

trol of both the economic and safety regulation of air commerce under the civil aeronautics act of 1938. It would be an easy step in the extension of this control to inaugurate some form of compulsory insurance. The social aspect of the problem of financial responsibility is in the field of private airplanes. The commercial airlines with excellent engineering and safety talent will maintain a good accident record and will usually be financially solvent. It is the fellow who used to drive a jalopy Ford, and who now may acquire a wornout training plane, who will be the one responsible for focusing attention on the need for insurance. The inspection and licensing system of the CAA is some safeguard, but this will not assure proper maintenance and prudent operation.

No other industry has ever made such broad demands on so many different kinds of talent. It has called for the highest degree of engineering skill and scientific research. It has created problems for public officials and international diplomats. It has laid out new work for city planners and bankers. It is a great field for men with alert minds who can cooperate in making aviation of the greatest service to society. Insurance is one of the essentials in the future success of this enterprise. It is a challenge to the ability and progressive spirit of the insurance business. The forces which are combining to assure the rapid expansion of aviation are too powerful to be held back by the hesitancy of insurance companies to furnish adequate protection or by their inability to keep the cost within reasonable limits. Independent companies can make a worth while contribution to the solution of these problems. History of the evolution of automobile



Figures from Federal Bureau of Investigation reports from 318 cities.

insurance supports this statement. Many of the progressive changes in policy forms and rating methods were first introduced by independent companies. The Western Insurance Companies were pioneers in the field of automobile insurance and they are branching out into the underwriting of aviation risks in response to a feeling of responsibility to agents to furnish these facilities and to the industry to take their share of the risk in a rapidly changing and hazardous field.

Dopesters predict the price of new cars will go up at least 15% and as high as 30% when production is resumed.

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Mutuals Off 11%; State Farm, Up 2.9%, Gains Commanding Lead

Automobile insurance premiums of all types of mutual companies in 1943 aggregated \$144,068,165. This was a decline of 11% from the 1942 total of \$161,909,000, which in turn was less by only about \$500,000 than the 1941 banner year. The 1943 volume is still greater than 1940.

The mutual losses last year amounted to \$58,344,63, giving the ratio of 35.3, which compares with 40.4 in 1942.

As in 1942 the mutuals classified as full cover, that is those writing the physical damage and third party coverages under a single charter, turned in the best performance. As a matter of fact this group of companies actually exceeded their 1942 record in premium production, the 1943 totaling \$72,369,796 as contrasted with \$72,230,179 the previous year.

Mutual Casualty Decline

The mutual casualty companies—those that do not write fire, theft or comprehensive—suffered the most radical decline, the percentage drop from 1942 being almost 22. Their 1943 premiums were \$57,321,486 and for 1942 they had \$73,492,959. Much of that loss is attributable to the heavy reduction in premiums in New York last year in comparison to the whopper year of 1942 in that state following enactment of the new automobile financial responsibility law.

The mutual fire companies had automobile premiums totaling \$14,376,883 as contrasted with \$15,286,367, a decline of 6%.

Among the individual companies, of course, minus signs predominate, but State Farm Mutual Automobile of Bloomington, Ill., by overcoming the

tide and ending the year with a 2.9% gain in premiums advanced several laps in competitive position. State Farm stands in first place among all mutual companies, with automobile premiums just about double those of Lumbermen's Mutual Casualty of Chicago, in second

State Farm Mutual and State Farm Fire combined emerge this year as the leader among company groups—both stock and nonstock—in respect of automobile premiums written. Last year State Farm was second among mutual groups and third among all groups. A

a commanding lead in second place, Liberty Mutual, standing third, had nearly as severe a percentage drop. Farm Bureau Mutual Auto of Ohio, although undergoing a loss in premiums of 10.6, remains in fourth place. Hardware Mutual Casualty is sixth, its percentage decline being 19.3. Then comes State Auto Mutual of Ohio and then Auto Owners. Utica Mutual dropped from seventh to eighth place with a premium decline of 22.8%. Merchants Mutual Casualty, with a 19.1% drop, remains in ninth place and in the tenth position is American Mutual Liability, whose premiums were off 24.4% and which last year was No. 8.

Of the Big Ten, State Farm, Farm Bureau of Ohio, State Auto Mutual and Auto Owners are composite companies, while the other six are in the mutual casualty category.

United Mutual was the only mutual fire company last year that had more than \$1,000,000 in auto premiums, its total being \$1,686,591. Second was Central Manufacturers Mutual with \$995,048, third, National Retailers Mutual, \$840,445, fourth, Allied American, \$793,016, and fifth Automobile Mutual of Rhode Island, \$610,929.

Farmers Auto Tops Exchanges

In the reciprocal category Farmers Auto of California continues in first place; second continues to be Detroit Auto Club; third, Auto Club of Southern California; fourth, California State Auto, and fifth, Chicago Motor Club.

Minneapolis Lloyds is the leader in the Lloyds division, National Lloyds of Baltimore, which a few weeks ago was placed in receivership, was second. Standard Lloyds of Texas was third.

1943 Premiums and Losses of Mutual Full Cover Companies

	1943										1942										
	Prem.	Total	Losses	Loss	Inc. or Dec.	Fire,	Theft &	Comp.	Liability	Property	Damag	Collision	Prem.	Total	Losses	Loss	Inc. or Dec.				
	\$	\$	\$	\$	%	In Prema	Prems.	Losses	Prem.	Prems.	Losses	Prem.	\$	\$	\$	\$	%				
Abbey Cas., D. C.....	71,712	15,042	21.0	15,468	48	....	55,710	9,714	15,953	5,328	....	56,244	14,304	25.3	42,595	11,751	31.1	—	—	—
Ace Mutual, In.....	165,664	45,583	27.5	11,895	68,300	20,738	46,967	6,546	22,411	6,418	27,986	11,681	137,151	58,119	42.3	—	—	—	—	—	
Alliance Mut. Cas.....	849,991	228,964	26.9	53,304	218,071	53,584	276,910	56,873	191,314	56,773	166,696	61,734	903,295	55,837	36.2	—	—	—	—	—	
Allied Mutual, Mo.....	26,745	6,763	25.3	—3,782	5,506	1,447	10,531	342	4,736	1,587	5,972	3,387	30,527	13,573	44.3	—	—	—	—	—	
Amer. Farm. Mutual, Ia.....	89,476	22,301	24.9	—18,833	7,637	678	47,692	14,680	23,250	4,964	10,897	1,979	108,309	22,463	20.4	—	—	—	—	—	
Amer. Farm. Mutual, Minn.....	389,768	80,945	20.7	35,367	50,863	10,469	174,532	25,407	74,913	17,030	89,460	28,039	354,401	104,441	29.4	—	—	—	—	—	
Amer. Mutual, Ia.....	71,692	32,420	46.6	—24,673	21,456	8,252	1,834	3,857	712	40,083	22,622	96,365	48,062	22,953	64,990	67.4	—	—	—	—	—
Atlantic Seaboard Cas.....	96	3,148	...	—1,958	20	9	2,955	100	76	84	2,054	100	3,148	84	1,848	59.5	—	—	—	—	—
Auto. Owners, Mich.....	3,774,603	1,138,447	30.1	80,705	468,111	138,655	1,326,429	301,043	981,828	298,643	998,235	400,103	3,698,398	1,462,602	39.6	+120,282	—	—	—	—	—
Badger State Cas., Wis.....	51,727	18,683	36.0	—14,153	6,204	669	26,151	11,717	15,977	3,984	3,395	2,313	65,880	20,562	31.1	—	—	—	—	—	
Beacon Mutual Indem., Ohio.....	437,713	136,313	31.1	65,298	71,205	18,947	140,456	27,105	101,536	32,926	123,816	57,335	381,715	161,034	43.5	—	—	—	—	—	
Celina Mutual Cas., Ohio.....	1,139,697	333,827	29.2	8,414	152,938	44,833	472,699	91,823	272,029	94,950	242,031	102,221	1,311,283	390,330	34.5	+23,767	—	—	—	—	
Cent. Mutual Cas., Mo.....	182,424	77,246	42.3	—2,495	40,986	8,971	83,074	35,624	28,026	12,992	19,659	184,923	82,202	44.5	—	—	—	—	—	—	
Cent. States Mutual, Ia.....	96,039	27,256	28.6	—5,284	24,856	5,753	28,068	8,556	21,684	6,902	20,431	6,045	100,323	36,368	36.2	—	—	—	—	—	
Checker Mut. Auto., Mich.....	149,330	97,869	65.5	13,353	9,279	1,968	47,851	27,591	47,854	13,985	44,343	54,325	135,977	93,810	68.9	+2,021	—	—	—	—	
Chicago Ice Prod., Ill.....	38,793	18,736	47.6	—6,514	4,538	766	22,017	8,283	10,098	8,177	2,143	1,510	45,307	9,812	21.7	+1,578	—	—	—	—	
Citizens Mut. Auto., Mich.....	1,464,508	431,166	29.4	122,849	256,819	71,922	525,982	97,285	328,520	76,335	353,187	185,624	1,341,659	567,222	42.3	—	—	—	—	—	
Comcl. Bankers Mut. Cas., Mo.....	72,629	47,537	65.5	24,567	14,210	8,330	22,080	7,306	18,266	6,490	48,062	22,953	74,771	47,979	47.9	+7,771	—	—	—	—	
Cool Co. Farm., Ill.....	62,317	17,455	28.0	72	7,010	182	20,448	3,358	10,123	4,223	24,736	6,245	24,599	39.5	+5,200	—	—	—	—	—	
Cooperative Cas., Mo.....	2,537	4,515	17.8	—9,575	904	872	—11	500	480	105	1,648	3,036	12,116	11,820	97.5	—15,568	—	—	—	—	
Cooperative Mut., Wis.....	197,520	63,124	32.0	—34,681	21,165	2,809	102,838	34,007	49,753	16,351	23,763	9,957	232,201	96,040	41.0	+19,864	—	—	—	—	
Empl. Mu. Cas., Ia.....	2,203,492	898,465	39.6	—42,639	324,231	119,471	1,036,250	336,452	499,236	259,641	403,775	182,901	2,306,131	962,974	42.0	+80,370	—	—	—	—	
Farm Bur. Mut., Ind.....	1,034,844	249,582	24.1	146,679	117,816	25,706	325,085	39,936	175,914	38,183	416,030	145,757	888,165	372,590	41.5	+153,670	—	—	—	—	
Farm Bur. Mut. Auto., Ohio.....	7,471,839	2,779,448	37.2	—887,857	270,516	42,353	3,369,533	988,573	1,575,670	656,790	2,256,120	1,111,732	8,359,696	3,539,934	42.2	+751,376	—	—	—	—	
Farm Bur. Mut., Kan.....	383,232	97,930	25.5	—52,353	23,047	141,976	9,588	43,123	12,429	145,780	52,866	348,637	134,953	38.5	+95,180	—	—	—	—	—	
Farm Bur. Mut., Wis.....	76,690	16,085	21.0	19,845	7,116	713	35,670	3,297	10,724	3,547	23,180	8,528	56,845	25,598	44.8	+10,495	—	—	—	—	
Farm. Mut. H., Ia.....	445,996	133,480	29.9	113,687	96,677	27,643	137,265	24,576	73,487	24,817	128,567	56,442	332,309	141,295	42.5	+43,808	—	—	—	—	
Farm. Mut. Auto., Wis.....	1,682,369	577,363	31.9	—64,924	202,555	51,386	855,309	296,726	364,611	129,298	238,815	97,415	1,747,293	868,691	49.5	+52,556	—	—	—	—	
Farm. Mut. Liab., Ind.....	615,448	197,885	32.1	151,927	91,149	18,624	200,541	30,518	145,036	24,507	178,722	124,209	463,521	250,850	54.0	+33,989	—	—	—	—	
Farm. Un. Mut. Auto., Ia.....	234,218	73,926	31.5	—3,340	51,158	11,653	86,270	—29,956	59,342	18,189	37,448	14,138	231,878	107,024	46.5	+3,672	—	—	—	—	
Fidelity Mutual, Ind.....	301,512	62,102	20.6	99,976	36,254	5,161	126,870	20,829	81,732	20,167	56,656	15,945	201,536	67,200	33.3	+12,323	—	—	—	—	
Frankenmuth, Mich.....	386,746	147,704	38.1	—3,574	65,628	20,131	135,271	35,142	77,193	33,487	108,654	58,944	390,320	240,214	61.5	+84,523	—	—	—	—	
Grange Mut. Cas., Ohio.....	344,027	137,518	40.0	—1,446	42,145	14,731	122,016	39,494	75,842	27,950	104,024	55,343	345,473	174,631	50.1	+12,290	—	—	—	—	
Home Mut. Cas., Wis.....	238,140	84,763	35.5	—21,676	23,656	5,233	145,691	52,538	51,571	18,994	7,938	259,816	111,124	43.0	+15,602	—	—	—	—	—	
Home Mutual, Ia.....	885,258	338,306	38.2	—39,747	186,326	71,748	325,833	96,820	217,438	83,404	155,661	86,334	925,005	396,285	43.0	+21,707	—	—	—	—	
Illinois Agr. Mut.....	2,611,782	871,191	33.4	—287,775	237,879	61,069	856,149	176,405	360,159	140,723	1,157,595	492,994	2,924,007	1,036,008	43.5	+23,176	—	—	—	—	
Inland Mut. W. Va.....	251,128	90,637	36.0	—1,042	17,826	4,840	143,040	59,931	73,129	19,595	17,133	6,271	252,130	184,778	72.1	+					

	1943										1942									
	Total Prem.	Losses \$	Loss Ratio %	Inc. or Dec. in Premas.	Fire, Theft & Comp. Prem.	Prem.	Losses \$	Liability Prem.	Losses \$	Property Damage Prem.	Losses \$	Collision Prem.	Losses \$	Total Prem.	Losses \$	Loss Ratio %	Inc. or Dec. in Premas.			
Mut. Auto., Herman, Wis.	153,665	71,444	45.7	-13,014	15,547	2,762	85,650	41,164	42,269	22,305	10,194	5,212	166,679	95,489	57.5	-2,588				
Mut. Com. Cas., Mo.	45,099	22,809	50.6	18,080	9,556	1,379	20,000	10,270	5,925	4,484	9,618	6,676	27,019	12,977	46.7	+ 7,513				
Mut. F. & Tor., Iowa	70,519	13,364	18.8	-7,639	17,132	4,036	27,941	1,121	10,805	3,510	14,641	4,597	78,158	22,411	28.6	+ 348				
Nat. M. Cas., Okla.	272,582	202,793	74.4	-11,054	17,195	10,093	153,287	133,444	76,053	35,729	26,047	23,527	385,636	325,672	84.9	-273,944				
Nat. Mut., D. C.	163,910	70,341	43.0	-13,098	148	.....	95,785	46,620	67,791	23,721	186	.....	177,008	72,824	42.1	-21,152		
North Cent. M. Ins.	30,520	38,226	125.	-121,767	6,096	7,117	10,855	7,182	6,639	11,026	152,287	47,278	41.0	+ 16,824						
Pioneer M. Cas., O.	42,594	13,413	31.5	-3,926	2,952	611	18,779	6,065	13,236	5,547	6,627	4,650	22,098	47.5	+ 5,411					
Pioneer Mut. Comp., N. M.	111,790	45,863	41.0	-22,446	19,666	7,114	41,838	17,486	23,114	10,273	27,173	10,990	134,236	26,274	27.0	+ 88,615				
Policyholders M. C., Iowa	94,735	59,368	62.5	-51,071	11,995	6,653	29,159	29,094	22,609	9,079	30,972	14,542	145,806	59,656	40.9	-9,302				
Progressive Mut., O.	149,893	43,540	29.1	-23,968	29,584	5,176	45,056	10,351	34,872	12,701	40,381	15,313	178,861	62,751	34.2	+ 8,759				
Republic Mut., O.	205,682	77,573	37.7	-4,072	34,364	9,945	69,404	21,132	46,936	18,843	54,974	27,653	209,754	89,506	42.5	-37,236				
Service Mut., Tex.	89,637	31,622	35.2	-31,066	14,221	2,365	37,761	10,148	20,375	10,731	17,280	8,378	58,571	21,848	37.5	.....			
Shelby Mut., O.	1,075,872	348,097	32.3	-24,676	60,795	16,189	598,841	181,483	284,443	99,752	311,793	50,673	1,100,548	331,538	36.1	+ 88,301				
Standard M. Cas., Ill.	174,942	56,009	32.1	-20,821	24,174	5,414	74,977	21,925	41,926	16,021	33,865	14,763	63,941	32.8	+ 9,388					
Standard Rel., Neb.	64,830	15,727	24.3	-12,952	18,225	5,252	20,859	938	11,494	2,632	14,252	6,905	51,878	89,043	17.2	-7,887				
State A. Mut., O.	4,585,275	1,362,899	29.5	82,394	655,715	166,364	1,982,892	448,993	89,828	348,633	1,051,840	399,909	4,502,881	1,813,912	41.3	-17,723				
S. Farm Mut., Ill.	26,352,840	8,631,398	30.2	74,658	3,049,117	1,044,535	11,421,567	3,624,557	3,528,994	1,380,783	5,320,162	3,481,520	25,645,993	10,727,209	42.3	+ 591,321				
United Mut., Iowa	226,885	38,373	16.9	226,885	42,746	5,249	80,212	10,559	54,584	10,927	49,343	11,528	.....	.....	.....	.....
U. S. Mut., Ill.	269,098	150,337	56.0	-127,519	29,458	6,178	131,290	92,875	83,128	33,857	25,223	17,427	396,617	224,561	58.0	-95,906				
Vt. Auto. Mut.	469,519	169,817	36.1	37,150	6,416	928	331,197	97,642	126,782	68,436	5,124	2,811	432,369	217,472	51.0	+ 3,061				
Western Mu. Fire, Ia.	227,414	65,095	28.6	-77,039	46,836	11,105	75,688	12,770	46,836	15,796	59,521	25,514	304,453	114,896	38.0	+ 155,703				
West. Res. Mut., O.	48,664	18,477	38.0	8,800	8,688	1,798	13,667	4,735	10,407	2,843	15,902	9,101	39,864	16,246	40.8	+ 1,329				
West. St. M. A., Ill.	204,631	49,376	24.1	-30,222	32,308	7,214	76,299	11,874	45,059	11,820	50,965	18,458	234,853	72,518	30.9	-7,781				
Wolverine M. Mot.	101,428	24,823	24.4	14,531	40,688	9,835	34,376	7,440	23,775	5,284	1,173	86,592	49,965	51.0	-6,028					
Total	70,920,762	20,947,075	29.0	120,417	4,760,450	2,502,462	20,655,020	5,020,224	16,201,474	5,020,224	10,142,162	5,162,614	70,620,150	20,655,024	40.2	-5,454,454				

Total 72,369.
*Taken over by United Mutual Iowa

1943 Premiums and Losses of Mutual Casualty Companies

1942												1942												1941						
Net Prem.	Total Paid Losses			Inc. or Dec. in Prem.			Liability			Prop. Damage			Collision			Total			Net Prem.			Paid Losses			Loss Ratio			Total		
	\$	\$	%	\$	\$	%	Net Prem.	Paid Losses	Net Prem.	\$	\$	%	Net Prem.	\$	\$	%	Net Prem.	\$	\$	%										
Amal. Cas., D. C.	100,035	29,782	29.6	22,576	77,790	24,575	22,226	5,207	19	77,459	27,129	35.0	+ 9,715	67,744	19,246	28.4		
Amal. Mut. Auto., N. Y.	324,901	131,834	33.2	70,487	334,501	131,834	264,414	149,705	56.2	- 40,801	305,215	138,490	45.2		
Amer. Mut. Liab.	3,076,355	1,261,777	41.0	- 994,833	2,318,872	920,037	695,620	317,871	61,563	23,869	4,071,188	1,854,545	46.5	....	- 15,974	4,151,162	1,967,950	47.1	....	....	....	....	....	....	....	....	....
Butchers Mut. Cas.	188,506	134,550	71.3	- 199,655	139,375	115,670	48,618	17,866	513	1,014	388,161	174,427	45.0	....	- 24,089	412,250	140,701	25.3	....	....	....	....	....	....	....	....	....
Cas. Mutual, Ill. ....	....	414	....	....	....	414	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
Cheese Makers Mut. Cas.	26,053	14,305	55.0	- 1,274	16,474	11,136	9,579	3,169	27,327	12,173	44.4	+ 11,326	18,001	4,214	25.0		
Coal Merch. Mut., N. Y.	254,876	102,082	40.0	- 91,162	179,058	74,626	75,818	27,456	....	....	....	346,038	77,345	22.2	....	+ 128,247	217,791	12,168	5.5	....	....	....	....	....	....	....	....
Columbus Mut., D. C.	48,947	18,383	37.6	12,625	38,070	15,305	10,877	3,078	....	....	....	36,322	16,745	46.0	....	+ 2,528	33,794	10,133	29.9	....	....	....	....	....	....	....	....
Eastern Mut. Mass.	329,858	256,887	78.5	- 429,836	319,474	227,740	10,384	29,147	....	....	....	759,694	185,345	34.5	....	+ 452,313	307,381	196,855	64.1	....	....	....	....	....	....	....	....
Elec. Mut. Liab.	43,622	26,094	59.9	- 29,273	30,114	21,047	13,508	5,047	....	....	....	72,895	19,348	26.3	....	- 4,372	77,267	14,279	18.4	....	....	....	....	....	....	....	....
Empire Mut., N. Y.	548,784	271,695	49.5	30,421	555,646	265,309	13,138	6,386	....	....	....	518,363	234,324	64.5	....	+ 24,401	493,962	239,652	48.5	....	....	....	....	....	....	....	....
Empl. Mut. Liab.	2,337,511	1,060,352	45.3	- 229,230	1,452,872	661,610	569,344	300,099	314,295	98,643	2,366,741	1,136,816	54.0	....	+ 176,581	2,460,160	1,148,677	46.6	....	....	....	....	....	....	....	....	....
Equity Mut., Mo.	294,376	117,102	39.6	- 33,823	173,068	53,841	92,164	49,687	29,144	....	....	328,199	139,086	42.4	....	- 35,282	364,019	174,642	47.9	....	....	....	....	....	....	....	....
Exch. Mut. Indem., N. Y.	336,711	130,902	38.7	- 56,033	232,244	90,133	104,467	40,769	....	....	....	422,744	161,073	38.1	....	- 24,494	447,238	130,790	29.2	....	....	....	....	....	....	....	....
Fact. Mut. Liab.	2,065,266	476,284	23.0	- 642,303	1,350,310	348,621	477,232	88,338	237,724	38,325	2,707,569	717,644	26.3	....	- 376,589	3,084,158	917,147	29.7	....	....	....	....	....	....	....	....	....
Farm Bureau Mut., N. H.	162,953	33,777	20.7	21,870	101,076	22,266	34,308	8,185	27,568	3,826	184,823	50,963	27.1	....	- 3,357	188,180	79,842	42.4	....	....	....	....	....	....	....	....	....
Federal Mut. Lib.	6,569	2,531	38.4	- 6,031	4,856	1,390	1,683	541	30	....	....	12,600	4,716	37.0	....	- 606	13,206	3,065	22.7	....	....	....	....	....	....	....	....
Goodville M. C., Pa.	144,577	18,316	12.7	- 4,567	45,416	9,518	59,161	8,798	....	....	....	140,010	22,047	15.7	....	+ 9,924	130,086	24,784	19.0	....	....	....	....	....	....	....	....
Hardware Mut. Cas.	6,508,653	2,155,389	33.1	- 1,552,369	3,772,440	1,237,350	1,629,767	539,172	1,106,446	378,867	5,061,023	2,929,038	36.0	....	- 422,883	8,483,905	3,365,140	39.7	....	....	....	....	....	....	....	....	....
Hearleyville Mutual	1,488,789	496,510	33.3	- 25,060	92,850	316,264	355,930	180,246	....	....	....	1,741,840	785,972	45.5	....	- 8,631	1,840,471	838,277	24.5	....	....	....	....	....	....	....	....
Isterboro Mutual	775,210	357,560	46.2	- 327,115	572,926	287,840	202,284	69,710	....	....	....	1,102,325	409,912	37.1	....	+ 172,936	929,389	386,944	41.5	....	....	....	....	....	....	....	....
Iowa Hdw. Mut. Cas.	14,927	5,431	36.7	- 7,254	8,021	3,831	6,931	1,599	....	....	....	22,181	3,230	14.7	....	- 2,315	24,496	4,636	17.4	....	....	....	....	....	....	....	....
Jamestown Mutual	1,018,458	402,858	39.5	- 338,116	732,125	282,084	274,352	117,713	11,981	3,061	1,356,574	514,742	38.0	....	+ 221,967	1,134,607	370,582	32.6	....	....	....	....	....	....	....	....	....
Keystone Mut. Cas., Pa.	637,150	319,725	50.1	- 39,412	426,019	201,205	204,010	115,864	7,121	2,651	676,562	336,150	50.5	....	- 9,412	767,974	348,422	32.3	....	....	....	....	....	....	....	....	....
Liberty Mutual	10,404,141	4,491,206	43.1	- 3,774,779	7,443,191	3,127,522	2,545,791	1,194,373	412,159	169,311	14,178,920	5,825,673	41.5	....	- 389,582	14,558,502	5,932,384	40.5	....	....	....	....	....	....	....	....	....
Lumbermen's M. Cas., Ill.	13,040,083	4,664,750	34.8	- 5,418,806	9,169,829	3,402,954	3,632,875	1,183,912	237,379	76,884	18,458,889	7,049,715	38.1	....	+ 131,606	18,327,283	7,136,032	38.9	....	....	....	....	....	....	....	....	....
Lumber Mut. Cas., N. Y.	215,642	85,296	39.6	- 88,566	150,890	58,155	64,404	26,826	348	414	....	10,909	2,279	37.1	....	+ 16,909	11,728	3,741	30.4	....	....	....	....	....	....	....	....
Manh. Mut. Auto. Cas.	1,617,606	859,537	53.1	203,623	1,603,709	848,902	13,897	10,635	....	....	....	1,413,983	905,277	64.0	....	- 75,314	1,489,297	697,487	46.8	....	....	....	....	....	....	....	....
Merch. Mut. Cas.	3,138,049	1,316,541	41.9	- 738,938	2,299,843	945,804	803,584	357,380	34,622	13,357	3,876,987	1,488,492	38.1	....	+ 518,675	3,858,312	1,484,261	44.1	....	....	....	....	....	....	....	....	....
Mutual Cas., N. Y.	142	....	....	....	....	118	....	....	24	....	....	....	....	....	....	....	All auto business reinsured.	....	....	....	....	....	....	....	....	....	....
Nat. Grange Mut., N. H.	1,821,363	562,450	30.8	- 443,759	1,231,945	401,568	486,859	125,210	102,559	35,672	2,265,122	721,905	32.0	....	+ 229,926	2,035,196	620,345	30.4	....	....	....	....	....	....	....	....	....
N.Y. Print. & Bookb. Mut.	10,934	9,902	50.5	- 5,407	8,163	9,433	2,771	469	....	....	....	16,341	4,088	25.0	....	+ 3,557	12,784	834	6.5	....	....	....	....	....	....	....	....
Patrons Mut. Cas.	2,990	582	19.5	7	2,990	582	....	....	....	....	....	2,883	5,671	19.0	....	- 2,209	5,092	1,618	32.0	....	....	....	....	....	....	....	....
Pa. Thru. & Farm.	828,732	372,683	44.9	- 122,562	521,811	214,457	306,921	158,226	....	....	....	951,294	534,281	55.9	....	+ 15,210	936,084	422,118	49.3	....	....	....	....	....	....	....	....
Penn. Mut. Indem.	47,417	7,282	15.6	- 18,115	32,215	6,257	15,202	1,025	65,632	8,458	12.9	+ 53,784	11,748	2,664	11,585	43.4		
Postal Mut. Indem. Tex.	350	....	....	- 11,236	....	350	....	....	....	....	....	....	11,586	....	....	....	- 23,387	37,973	....	....	....	....	....	....	....	....	....
Public Mut. Cas., Mo.	73,572	41,548	56.5	1,498	62,781	36,239	10,791	6,309	....	....	....	72,074	39,915	55.5	....	- 20,345	92,419	43,991	47.5	....	....	....	....	....	....	....	....
Public Serv. M. Cas., N. Y.	1,475,910	713,763	48.2	443,188	1,278,039	528,707	197,871	131,056	....	....	....	1,032,722	303,615	29.4	....	+ 2,327	1,030,395	275,430	36.4	....	....	....	....	....	....	....	....
R. I. Mut. Liab.	68,257	19,411	28.5	2,517	44,571	11,328	21,563	7,248	2,123	835	65,740	16,702	25.3	....	+ 3,660	62,080	26,443	42.5	....	....	....	....	....	....	....	....
Seaboard Mut. Cas., Pa.	47,542	1,887	3.9	23,683	33,366	1,284	14,048	603	128	....	....	23,859	8,535	35.6	....	- 6,617	28,476	9,436	33.1	....	....	....	....	....	....	....	....
Security Mut. Cas., Ill.	248,868	153,228	61.8	- 20,961	202,192	141,447	46,569	11,781	107	....	....	269,829	165,078	61.5	....	- 246,746	516,575	186,800	36.1	....	....	....	....	....	....	....	....
Transpor. Mut. Mass.	173,135	107,849	62.1	48,737	173,135	107,849	....	....	....	....	....	124,398	95,748	77.0	....	+ 14,572	109,825	89,024	81.1	....	....	....	....	....	....	....	....
U. S. Mut. Liab.	14,086	4,635	32.9	- 4,702	14,086	4,635	....	....	....	....	....	18,788	2,407														

1943 Auto Premiums and Losses of Reciprocal Full Cover Organizations

	1943										1942									
	Total Premises	Losses	Loss Ratio %	Inc. or Dec. in Premises	Fire	Theft	& Comp.	Premises	Losses	Liability	Premises	Damage Losses	Collision	Premises	Losses	Total Premises	Losses	Loss Ratio %	Inc. or Dec. in Premises	
Allied Und., Tex.	Taken over by Tex. Dept., August, 1943																			
Auto Club, Mo.	842,023	197,197	23.4	-105,059	170,851	24,939	391,632	76,736	111,368	36,107	169,172	59,415	948,082	306,788	31.8	-74,222				
Berwind Exch., Pa.	6,329	1,249	19.8	1,076	2,949	860	1,378	21	1,245	566	657	198	5,153	513	9.9	+ 658				
Calif. Cas. Ind. Ex.	272,252	88,696	32.5	-49,311	47,510	14,979	108,134	27,163	47,074	26,567	69,534	19,987	321,563	89,432	27.8	-9,443				
Calif. St. Auto. As.	2,981,510	894,579	29.9	-348,518	373,320	74,272	1,149,564	303,535	424,841	139,947	1,033,785	376,825	8,330,028	881,736	26.5	+ 1,032,775				
Car. Rec. Exch., Mo.	1,331,349	593,520	44.5	10,272	29,822	5,562	939,759	386,618	337,726	188,864	24,043	12,476	1,321,077	861,908	65.2	-126,186				
Chicago Motor Club	2,891,026	994,736	34.4	-386,425	669,948	131,786	952,500	315,290	471,023	173,511	797,555	374,149	2,377,461	1,485,631	45.5	-333,501				
Consolidated Und.	499,837	180,054	36.1	-308,804	1,069	182	281,165	93,509	106,675	37,823	111,028	48,540	808,641	276,817	34.1	-229,789				
Credit Un. Ex., Ill.	11,125	5,148	46.0	-6,584	1,653	223	3,543	2,582	2,022	723	3,907	1,629	17,709	7,279	41.0	+ 816				
Detroit Auto. Club	7,199,903	2,690,627	37.3	-97,715	1,613,027	383,280	1,936,281	496,878	1,241,310	572,687	2,409,285	1,237,772	7,297,618	3,452,560	47.5	+ 10,320				
Erie Ins. Exch., Pa.	482,249	185,230	38.3	-89,881	48,843	14,591	222,291	73,043	147,101	55,848	64,014	41,748	572,130	238,051	41.7	-31,976				
Farm Auto., Ill.	637,530	250,955	39.3	-33,263	87,705	30,270	177,794	47,120	78,477	28,897	293,554	144,669	670,793	318,218	47.5	+ 2,543				
Farm Auto., Cal.	8,793,901	2,985,529	33.8	-210,338	1,604,316	389,708	3,196,443	850,589	1,373,613	453,538	2,624,529	1,291,694	9,009,239	3,601,810	40.0	+ 135,890				
Federal Unds., Tex.	177,896	53,065	29.9	92,205	18,939	4,095	92,111	26,746	41,836	6,904	25,010	15,320	85,691	74,741	33.5	+ 27,395				
Genl. Ind. Ex., Mo.	53,048	8,483	15.9	830	9,495	714	27,090	2,571	9,621	2,163	6,842	3,035	52,216	17,272	33.0	-10,754				
Grow. Auto. A. Ind.	18,556	6,414	34.6	541	2,465	487	5,943	1,358	3,185	1,741	6,963	2,833	18,015	7,357	40.9	+ 613				
Highway Und., Tex.	442,696	120,901	27.3	99,266	30,427	11,135	312,399	72,492	99,870	37,274	...	...	343,430	70,227	20.1	+ 16,988			
Mrs. & Whol., Colo.	226,205	103,856	44.5	-94,491	46,232	10,263	94,385	55,262	49,630	25,837	35,958	12,494	320,696	83,030	26.0	-3,714				
Mid-West Auto. Und.	...	...	...	...	...	...	...	...	...	...	...	...	306	18,616	...	...	...	...	...
Old Line Auto., Ind.	55,142	15,852	27.9	1,549	3,373	507	28,940	8,772	16,120	2,501	6,709	4,072	53,593	25,421	48.0	-12,474				
Natl. Ind. Ex., Mo.	10,776	7,390	68.5	-4,463	1,072	221	5,860	5,263	2,779	1,727	1,065	1,79	9,576	5,230	3.0	-186				
Prairie St. Far., Ill.	33,284	8,611	25.9	-2,759	4,061	1,140	12,023	2,651	7,023	1,330	10,177	3,490	36,043	12,854	35.6	-1,451				
Professional Und.	1,620	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Progress., Ill.	32,761	8,282	25.6	5,833	2,691	1,048	15,877	2,951	8,015	1,760	5,778	2,523	32,761	13,220	34.0	-37,539				
State Auto., Iowa	1,511,921	445,518	29.4	-294,092	266,995	77,667	666,200	145,575	311,322	103,057	267,404	116,219	1,806,013	708,248	39.4	-37,539				
State Auto., Ind.	2,808,866	1,132,920	40.3	-194,962	319,737	137,044	1,118,794	367,843	542,064	264,438	828,271	363,595	3,003,818	1,583,417	52.3	-221,750				
Texas Gen. Unds.	54,562	16,825	30.8	...	450	...	44,321	9,697	9,790	7,128	...	...	...	...	...	...	...	...	...
Track Ins. Exch.	2,263,560	1,158,187	51.1	497,740	370,547	160,944	966,690	422,026	540,374	269,552	376,949	305,665	1,765,820	822,741	45.8	+ 162,089				
U.S. Auto. Indem., Ill.	496,313	168,555	34.0	-83,688	77,634	19,212	179,325	66,185	104,379	32,267	134,975	50,891	580,001	270,981	46.7	-25,924				
United Service, Tex.	1,445,804	296,929	20.6	-221,800	212,077	42,472	518,035	81,930	236,200	55,629	479,492	116,898	1,667,604	459,608	27.7	-237,775				
Total	35,351,636	12,549,407	35.5	-2,002,869	6,039,506	1,539,952	12,449,523	3,947,281	6,335,148	4,128,396	9,786,655	4,605,911	37,854,505	15,575,185	41.0	-85,377				

(CONTINUED ON NEXT PAGE)

1943 Auto Premiums and Losses of Lloyds Full Cover Carriers

	Total	Prem.	Losses	Loss Ratio	Inc. or Dec.	Fire, Theft & Comp.	Prem.	Losses	Prem.	Losses	Property Damage	Prem.	Losses	Collision	Total	Prem.	Losses	Loss Ratio	Inc. or Dec.
	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	\$
Assoc. Employers Lloyds.....	61,418	23,530	38.3		5,429	2,946	....	36,512	13,726	19,171	8,329	2,759	1,475	55,989	14,839	26.51	—41	
Ft. Worth Lloyds.....	89,660	34,162	38.1		21,360	25,025	9,426	27,278	1,270	11,407	4,167	25,850	19,299	68,300	19,687	28.7	+21,917		
Liberty Lloyds, Tex.....	8,677	717	8.2		987	2,218	624	3,171	....	1,152	5	2,136	88	7,690	364	52.3	+515	
Lloyds Cas. Ins., Tex.....	100,916	19,958	20.0		....	35,782	1,383	32,026	5,930	16,824	4,192	16,284	8,483	....	....	....	....	+22,466
Lloyd's Guar. Tex.....	Taken Over by General of Ft. Worth	26,021	8,703	32.45	+22,466	
London Lloyds, Ill.....	1,752	4,704	268.0		1,737	1,740	12	3,460	1,244	15	8,333	—4,480	
London Lloyds, Ky.....	85,091	31,829	37.4		715	62,278	28,451	22,098	3,378	
Minn. Lloyds.....	935,149	237,913	36.1		—111,920	186,447	56,200	384,534	131,776	188,056	76,481	176,112	73,456	1,047,069	496,527	47.4	+178,646		
National Lloyds.....	267,017	116,713	44.1		—86,060	65,605	21,981	69,740	20,846	35,319	13,807	96,353	60,129	353,077	207,739	60.5	+24,070		
Southern Lloyds, Tex.....	28,336	3,071	10.8		—1,777	9,484	1,124	7,391	350	3,723	473	7,738	1,124	20,113	9,217	30.6	+5,383		
S. W. Lloyd's, Tex.....	6,046	557	9.2		—1,096	....	....	3,488	21	2,209	536	349	....	7,142	504	7.0		
Superior Lloyds.....	128,659	64,057	50.0		—20,310	29,311	12,140	38,837	11,388	16,246	4,285	44,260	36,244	148,969	84,992	57.0	+10,724		
Western Lloyds.....	54,034	19,208	35.5		—1,677	13,031	1,187	23,899	5,411	4,160	641	12,944	11,969	55,711	34,452	61.8	+38,982		
Total.....	1,772,754	636,449	37.0		—27,342	375,255	104,015	689,265	222,629	320,365	117,438	384,815	212,267	1,800,096	885,357	37.2	+62,409		
†In receivership.																			

Mutual Fire Companies

	1943				1942					1943				1942					
	Net	Paid	Loss	Inc. or Dec.	Net	Paid	Loss	Inc. or Dec.		Net	Paid	Loss	Inc. or Dec.	Net	Paid	Loss	Inc. or Dec.		
	Prem.	Losses	Ratio	In Prems.	Prem.	Losses	Ratio	In Prems.		Prem.	Losses	Ratio	In Prems.	Prem.	Losses	Ratio	In Prems.		
Abington Mut.	16,678	4,219	25.5		558	15,520	3,430	21.6	—3,826	Tr. & Me., Mass...	35,243	13,196	37.2	12,647	22,596	14,813	65.5	—935	
Alli. Coop. Kan.	3,660	2,126	68.5		—2,351	5,450	3,757	68.0	—844	Tr. & Me. Mut.	35,244	13,197	37.0	12,162	41.7	....	....
Allied Amer. Mut.	793,016	174,954	22.1		—25,631	818,547	211,740	26.0	+16,351	Und. M. Ind., Ohio	1,301	1,301	36.2	....	....	....	....
Am. Mot. M. R. I.	1,899	720	37.8		—47	1,046	477	28.3	+2,007	Union Fire, Neb.	194,608	99,473	35.6	—6,688	202,290	102,417	50.6	+31,918	
Aasen. Merch., Mass.	2,714	1,180	43.5		352	2,362	1,676	70.7	+6,233	Union Mut. F. R. I.	14,184	5,239	36.9	—4,010	18,194	16,125	89.0	+6,013	
Atlantic Mut., Ga.	76,789	27,964	36.4		—25,662	102,451	42,346	41.5	+119,331	Union Mut. Vt.	29,395	5,340	18.2	—1,951	31,346	12,058	38.2	+6,648	
Atlantic Mut., N. Y.	59,779	17,140	28.6		4,966	54,818	20,741	38.0	+8,441	United Mut., Mass.	1,686,591	465,826	27.6	+151,399	1,837,990	476,978	25.9	+9,877	
Austin Mut., Minn.	1,020	17,365	17.365		—17,365	11,106	64.0	—7,157	Utica Fire	29,293	8,936	30.4	—2,747	32,040	15,372	57.2	+19,455		
Auto. Mut., R. I.	610,029	52,613	8.6		17,245	593,684	73,552	12.4	+29,641	Vermont Mut.	15,438	2,757	17.8	+3,132	18,570	7,923	42.6	+1,628	
Auto. Mut. F. Pa.	—123	1,878	....		—4,214	4,091	10,503	258.0	+27,845	Wash. Mut., Pa.	10,290	4,523	44.0	4,815	11,651	5,151	30.1	+3,726
Bankers Mut., D. C.	64,693	13,112	20.2		36,325	28,368	7,612	27.0	+2,871	West. Mill. M. Mo.	53,074	19,920	37.5	5,611	47,463	24,337	51.5	+25,428	
Berkshire Mut. Fire	170,152	46,300	27.1		—22,101	192,253	69,309	36.0	+24,755	Wyo. V. F. N. Y.	20,781	10,198	48.7	+5,658	26,339	10,612	41.8	+5,260	
Burlington M., Vt.	27,676	7,487	27.0		—5,481	33,157	11,046	33.1	+4,999	Total.....	14,376,883	4,449,318	30.9	+1,199,917	15,286,367	5,532,532	36.2	+2,558,507	
Cambridge Mut.	81,714	30,275	37.0		—22,623	104,337	66,424	64.0	+101,439	†Merged with Pioneer Coop. Fire, 10-20-1943.									
Campbell's, Wis.	808	111	13.5		—595	1,406	1,125	63.0	+10,439										
Canton Coop., N. Y.	35,418	22,325	61.8		+11,782	23,834	20,863	87.7	+5,479										
Capital Fire, Neb.	65,348	20,357	31.0		5,573	59,775	15,120	25.1	+5,309										
Capitol M., F. Pa.	19,605	28,272	14.8		—63,563	83,168	20,538	24.6	+1,000										
Carpenter Mut., Pa.	45,864	19,508	34.0		38,387	10,477	4,768	45.5	+2,167										
Catskill Mut.	995,048	291,224	29.3		—123,524	1,118,572	447,852	40.3	+348,584										
Census Mut., M. F.	1,988	2,026	55.6		—2,009	2,909	5,919	102.7	+3,910										
Citizens Fu. Minn.	67,108	32,067	48.5		—7,598	74,706	49,475	64.0	+31,101										
Citizens M., Mass.	56,809	16,044	28.2		—692	57,501	15,200	26.5	+953										
City Mut., F. Pa.	4,244	889	21.1		—420	3,824	2,766	72.0	+2										
Coml. Mut., O.	16,782	5,498	32.3		—11,467	10,679	94,366	890.0	+114,261										
Coop. F. N. Y.	1,475	13,003		—52,327	50,832	26,203	51.7	+16,815										
Emp. M. F. Wis.	236,652	49,916	21.1		35,000	201,652	46,942	23.1	+2,515										
Farmers Alli., Kan.	53,145	24,075	45.3		14,425	38,720	20,801	53.7	+9,028										
Farm. B. M. F. O.	509,230	243,402	47.8		18,796	490,434	223,860	45.5	+56,932										
Fed. Mut., F. Mass.	207,137	71,578	34.5		—33,624	290,761	102,830	35.4	+61,643										
Fitchburg M., Mass.	99,281	25,193	27.9		—3,321	93,602	27,318	31.1	+33,998										
General Mut., Okla.	2,305	298	12.6		—338	1,206	1,206	63.2	+54,907										
Globe Mut., Mo.	2,973	4,944	16.6		—12,125	1,206	1,206	63.2	+12,009										
Gr. Dire. Nat. Ind.	316,564	97,032	31.0		6,162	310,393	155,450	50.0	+12,500										
Granger Mut., Md.	16,044	17,785	126.6		—15,845	27,880	14,012	51.0	+5,837										
Globe Mut., Minn.	551,544	173,889	21.6		—10,127	586,729	128,803	22.0	+123,581										
Hdwre. Mut., Minn.	576,662	124,500	21.6		—8,989	117,855	36,555	31.0	+8,348	</									

The NATIONAL UNDERWRITER

Automobile Premiums and Losses of Stock Fire Companies in 1943 and 1942

(CONTINUED FROM PAGE 18)

1943												1942														
	Net	Paid	Loss	Inc.	Net	Paid	Loss	Inc.	Net	Paid	Loss	Inc.	Net	Paid	Loss	Ratio	in Prems.	Prems.	Losses	Ratio	in Prems.	Prems.	Losses	Ratio	in Prems.	
-47																										
+21,917																										
-515																										
+22,450																										
-4,480																										
Calvert Fire.	225,256	851,309	66.2	503,361	771,895	2,667,336	345.0	5,499,576	22,711	144,992	65.0	—96,989	22,711	144,992	65.0	—96,989	22,711	144,992	65.0	—96,989	22,711	144,992	65.0	—96,989		
Camden Fire.	928,423	408,262	43.9	—61,975	990,398	710,222	72.0	—735,028	151,127	81,657	54.0	—67,767	151,127	81,657	54.0	—67,767	151,127	81,657	54.0	—67,767	151,127	81,657	54.0	—67,767		
Capital, Cal.	34,003	13,510	38.9	—2,449	36,452	17,284	47.0	—8,194	15,127	81,657	54.0	—67,767	15,127	81,657	54.0	—67,767	15,127	81,657	54.0	—67,767	15,127	81,657	54.0	—67,767		
Capital, N. H.	5,314	1,044	19.6	—3,756	9,070	1,391	15.3	—8,194	15,127	81,657	54.0	—67,767	15,127	81,657	54.0	—67,767	15,127	81,657	54.0	—67,767	15,127	81,657	54.0	—67,767		
Carolina	204,026	74,859	36.6	119,047	84,979	174,692	206.0	—289,715	103,278	43,126	41.5	—78,627	103,278	43,126	41.5	—78,627	103,278	43,126	41.5	—78,627	103,278	43,126	41.5	—78,627		
Cavalier	67,046	73,858	110.0	—36,232	103,278	43,126	41.5	—78,627	12,797	354,125	150,602	42.5	—76,333	12,797	354,125	150,602	42.5	—76,333	12,797	354,125	150,602	42.5	—76,333			
Cen. Sur. F.	366,922	127,585	34.8	—2,464	13,732	2,044	15.0	—8,194	5,944	13,732	2,044	15.0	—8,194	5,944	13,732	2,044	15.0	—8,194	5,944	13,732	2,044	15.0	—8,194			
Centennial	10,268	2,909	28.3	—3,464	13,732	2,044	15.0	—8,194	151,127	81,657	54.0	—67,767	151,127	81,657	54.0	—67,767	151,127	81,657	54.0	—67,767	151,127	81,657	54.0	—67,767		
Central, Md.	141,743	58,213	41.0	—9,384	151,127	81,657	54.0	—67,767	151,127	81,657	54.0	—67,767	151,127	81,657	54.0	—67,767	151,127	81,657	54.0	—67,767	151,127	81,657	54.0	—67,767		
Century, Scot.	76,357	31,852	41.7	—11,204	87,561	52,808	60.5	—52,278	15,127	81,657	54.0	—67,767	15,127	81,657	54.0	—67,767	15,127	81,657	54.0	—67,767	15,127	81,657	54.0	—67,767		
Chris. G. N. Y.	9,676	17,254	178.0	—5,791	15,467	36,327	234.8	—39,825	15,467	36,327	234.8	—39,825	15,467	36,327	234.8	—39,825	15,467	36,327	234.8	—39,825	15,467	36,327	234.8	—39,825		
Citizens, N. J.	31,415	11,171	35.7	—4,881	26,534	15,920	60.0	—12,351	119,047	84,979	174,692	206.0	—289,715	119,047	84,979	174,692	206.0	—289,715	119,047	84,979	174,692	206.0	—289,715			
City of N. Y.	203,112	202,500	100.1	—136,803	33,915	69,769	206.0	—1,158,660	202,500	100.1	33,915	69,769	206.0	—1,158,660	202,500	100.1	33,915	69,769	206.0	—1,158,660	202,500	100.1	33,915	69,769		
Colonial Assur.	7,267	14,085	193.0	—32,125	39,392	31,050	80.0	—10,972	14,085	193.0	39,392	31,050	80.0	—10,972	14,085	193.0	39,392	31,050	80.0	—10,972	14,085	193.0	39,392	31,050		
Columb., O.	112,670	41,063	36.4	—5,340	107,330	51,127	47.0	—18,141	41,063	36.4	107,330	51,127	47.0	—18,141	41,063	36.4	107,330	51,127	47.0	—18,141	41,063	36.4	107,330	51,127		
Commerce	202,469	87,434	43.1	—22,862	225,331	116,499	52.0	—8,130	87,434	43.1	225,331	116,499	52.0	—8,130	87,434	43.1	225,331	116,499	52.0	—8,130	87,434	43.1	225,331	116,499		
Commercial, Ga.																										
Com. U. Eng.	624,519	266,277	42.5	—33,994	658,513	431,881	66.0	—286,076	266,277	42.5	658,513	431,881	66.0	—286,076	266,277	42.5	658,513	431,881	66.0	—286,076	266,277	42.5	658,513	431,881	66.0	—286,076
Com. Un. N. Y.	166,224	63,673	38.1	—26,512	139,711	90,960	65.0	—60,863	166,224	63,673	139,711	90,960	65.0	—60,863	166,224	63,673	139,711	90,960	65.0	—60,863	166,224	63,673	139,711	90,960	65.0	—60,863
Commonwealth	290,082	102,441	35.3	—5,944	296,026	135,021	45.5	—95,795	290,082	102,441	296,026	135,021	45.5	—95,795	290,082	102,441	296,026	135,021	45.5	—95,795	290,082	102,441	296,026	135,021	45.5	—95,795
Concordia	438,428	185,976	42.4	—6,188	432,240	222,048	51.5	—21,927	438,428	185,976	432,240	222,048	51.5	—21,927	438,428	185,976	432,240	222,048	51.5	—21,927	438,428	185,976	432,240	222,048	51.5	—21,927
Conn. Fire.	484,943	259,812	52.5	—109,866	549,809	428,459	72.5	—108,310	484,943	259,812	549,809	428,459	72.5	—108,310	484,943	259,812	549,809	428,459	72.5	—108,310	484,943	259,812	549,809	428,459	72.5	—108,310
Constitu. Re.	1,817	1,511	83.4	—3,691	5,508	2,645	48.5	—3,585	1,817	1,511	83.4	—3,691	5,508	2,645	48.5	—3,585	1,817	1,511	83.4	—3,691	5,508	2,645	48.5	—3,585		
Continental	1,908,215	1,093,553	53.6	—24,865	1,933,080	2,102,928	108.5	—3,321,091	1,908,215	1,093,553	1,933,080	2,102,928	108.5	—3,321,091	1,908,215	1,093,553	1,933,080	2,102,928	108.5	—3,321,091	1,908,215	1,093,553	1,933,080	2,102,928	108.5	—3,321,091
Dearborn Nat.	12,563	12,563	37.1	—2,146	5,738	5,738	42.0	—12,177	12,563	12,563	5,738	5,738	42.0	—12,177	12,563	12,563	5,738	5,738	42.0	—12,177	12,563	12,563	5,738	5,738	42.0	—12,177
Det. F. & M.	67,043	25,087	37.3	—618	67,661	31,004	46.0	—11,650	67,043	25,087	67,661	31,004	46.0	—11,650	67,043	25,087	67,661	31,004	46.0	—11,650	67,043	25,087	67,661	31,004	46.0	—11,650
Dixie	30,159	22,063	73.1	—14,589	44,748	21,916	49.0	—80	30,159	22,063	44,748	21,916	49.0	—80	30,159	22,063	44,748	21,916	49.0	—80	30,159	22,063	44,748	21,916	49.0	—80
Dub. F. & M.	267,455	134,522	50.4	—72,255	344,710	246,944	72.0	—345,210	267,455	134,522	344,710	246,944	72.0	—345,210	267,455	134,522	344,710	246,944	72.0	—345,210	267,455	134,522	344,710	246,944	72.0	—345,210
Fair. F. & M.	1,206,717	821,138	45.0	—419,166	2,244,336	1,211,378	50.5	—563,125	1,206,717	821,138	2,244,336	1,211,378	50.5	—563,125	1,206,717	821,138	2,244,336	1,211,378	50.5	—563,125	1,206,717	821,138	2,244,336	1,211,378	50.5	—563,125
Fid.-Phenix.	1,687,764	879,983	52.2	—362,839	2,650,603	1,585,144	79.0	—1,881,141	1,687,764	879,983	2,650,603	1,585,144	79.0	—1,881,141	1,687,764	879,983	2,650,603	1,585,144	79.0	—1,881,141	1,687,764	879,983	2,650,603	1,585,144	79.0	—1,881,141
Fire Assn.	1,206,827	92,602	47.4	—2,044	2,148,496	1,913,264	51.5	—1,087,101	1,206,827	92,602	2,148,496	1,913,264	51.5	—1,087,101	1,206,827	92,602	2,148,496	1,913,264	51.5	—1,087,101	1,206,827	92,602	2,148,496	1,913,264	51.5	—1,087,101
Fireman's Fd.	2,031,294	927,262	45.6	—117,205	2,148,496	200,267	115.0</																			

for MIDWESTERN AGENTS *who want service*

IN FIGHTING a global war vast distances are becoming over night hops for our military transportation services. But to us on the home front the situation is reversed—we now are forced to think of walking blocks not driving miles. As a result, practical minded agents are seeking convenient, nearby service which is hampered as little as possible by curtailed manpower and wartime transportation difficulties.

Agents in the mid-west are finding the facilities of Great American's Western Department of great advantage in placing their automobile business. Located in Chicago in the transportation center of the middle-western territory, the Great American's Western Department is able to render efficient and prompt service to agents in nearby states.

Every effort is being made by the Western Department to maintain its unexcelled reputation for aiding agents to place their automobile business in a strong, time-tried company. We fully recognize the opportunity our local agents now have for extending their automobile business as a strong foundation for post-war new car sales. Our field men and our Western Department organization in Chicago stand ready to assist you so you'll be able to expand your automobile volume despite the pressure on your time because of help shortages.



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WESTERN DEPARTMENT, 310 SOUTH MICHIGAN AVE., CHICAGO

